Daily Report

East Europe

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FBIS-EEU-95-003 *5 January 1995*

CONTENTS

NOTICE TO READERS: All material in this volume previously disseminated in electronic form.

ALBANIA

First Private, Illegal Radio Station Noted *[GAZETA SHQIPTARE 29 Dec]* 1
Several Former Officials Accused of Corruption *[GAZETA SHQIPTARE 31 Dec]* 1
Leading Members Walk Out of PSD Meeting *[LAJMI I DITES 22 Dec]* 1
PSD Group To Form New, 'Genuine' Party *[LAJMI I DITES 22 Dec]* 2

BULGARIA

Zhelev Talks With BSP, SDS Leaders *[Sofia Radio]* 3
Zhelev, BZNS Representatives Discuss Parliament *[Sofia Radio]* 3
BBB Said Not Joining BSP Coalition Cabinet *[Sofia Radio]* 3
Sokolov Elected Parliamentary Faction Chairman *[Sofia Radio]* 3
Merits of Eliminating 'Arms Imbalance' Viewed *[24 CHASA 29 Dec]* 3

CZECH REPUBLIC

Minister Reports 17,495 Entities Privatized *[LIDOVE NOVINY 30 Dec]* 4
Czech Approach to CEFTA Explained *[PRAGUE POST 6 Dec]* 4
Army To Invest Kc120 Billion in Arms by 2005 *[MLADA FRONTA DNES 30 Dec]* 5
U.S. Help for Aircraft Firms Sought *[PRAGUE POST 6 Dec]* 5
Rockwell To Supply L-159 Avionics to Vodochody *[LIDOVE NOVINY 22 Nov]* 6
Bidding for Telecommunications To End in March *[PRAGUE POST 6 Dec]* 6

SLOVAKIA

Hungarian Party Head's Misgivings Over Government *[Budapest Radio]* 9
SDSS Adopts New Year's Resolutions *[Bratislava Radio]* 9
Budget Cuts Funding for President's Office by Half *[SME 29 Dec]* 10

HUNGARY

Kovacs on Observers for Chechnya; Slovakia Ties *[Budapest TV]* 11
Kuncze on Police Funding, Staffing, Crime *[Budapest Radio]* 11
Spent Nuclear Material En Route to Russia 'Soon' *[Budapest Radio]* 13
Interior Minister Reports on Increased Smuggling *[Budapest Radio]* 13
Discussion on Government Economic Stabilization *[Budapest TV]* 13
Growing Hungarian-Ukrainian Trade *[MAGYAR HIRLAP 9 Dec]* 13

POLAND

Walesa: Talks Needed To Resolve Chechen Conflict *[PAP]* 14
Controversy Over Defense Minister Post Aired *[Warsaw TV]* 14
Interview With Former Defense Minister *[GAZETA WYBORCZA 28 Dec]* 14
Poll Tracks Growing Criticism of Pawlak, Walesa *[RZECZPOSPOLITA 3 Jan]* 17
Poll Shows Strongest Presidential Candidates *[GAZETA POLSKA 5 Jan]* 18
EBRD To Buy Shares in Krakow Bank *[SLOWO POLSKIE 17-18 Dec]* 18

ROMANIA

Delegations To Discuss Pollution of River *[Bucharest Radio]* 19
Paper Examines Tokes Securitate Activities *[CURIERUL NATIONAL 31 Dec]* 19

BOSNIA-HERZEGOVINA

Cease-Fire Commission Meeting To Resume 6 Jan *[Sarajevo Radio]* 20
Muslim Troops Said Not To Withdraw From Igman *[SRNA]* 20
Withdrawal Begins *[TANJUG]* 20
Pullout To Continue 5 Jan *[SRNA]* 20
Zubak, Rose Sign Cease-Fire Annex on Human Rights *[Sarajevo Radio]* 21
Silajdzic Hails Imminent 'Change' in U.S. Policy *[Sarajevo Radio]* 21
Silajdzic on Serb Acceptance of Peace Plan *[Sarajevo Radio]* 21
Izetbegovic Sends Supportive Message to Dudayev *[SRNA]* 22
Martic, Abdic 'Chetniks' Attack Velika Kladusa *[Sarajevo Radio]* 22
5th Corps Launches 'Fierce Offensive' on Abdic *[SRNA]* 22
5th Corps Accused of Blocking Refugees' Return *[SRNA]* 23
'Several' Truce Violations in Zavidovici Area *[Sarajevo Radio]* 23
Gorazde Front Reported 'Much Calmer' *[Sarajevo Radio]* 23
Serb Corps Notes No 'Customary Provocations' *[TANJUG]* 23
Muslim-Croat 'Tensions' Increase in Mostar *[TANJUG]* 23
Croats Complain of Lack of Equal Status *[Mostar Radio]* 24

CROATIA

Croats Refuse To Open Turanj Checkpoint for UN *[Zagreb Radio]* 25
Canadian Peacekeepers Come Under Small Arms Fire *[Montreal Radio]* 25
Cochairmen Owen, Stoltenberg Hold Talks in Zagreb *[Zagreb Radio]* 25
Owen on Knin-Zagreb Accord *[TANJUG]* 25
Measures for Economic Accord *[Zagreb TV]* 26
Talks With Russian Officials on Resolving Crisis *[Zagreb Radio]* 26
DANAS Folds; Readers Promised New Weekly *[VECERNJI LIST 31 Dec]* 26

THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA

Diplomatic Relations Established With Uzbekistan *[MIC]* 27
Orthodox Church Accuses Serb Church of Expansion *[MIC]* 27

YUGOSLAVIA

Serbia

Call For 'Protests' Over BORBA Closure *[BORBA 4 Jan]* 28
Russian Parliamentarian Delegation Arrives *[TANJUG]* 28
Article Analyzes 1995 Republican Budget *[POLITIKA 25 Dec]* 28
Private TV Stations Operating Illegally *[NIN 9 Dec]* 30

First Private, Illegal Radio Station Noted

AU0401165495 Tirana GAZETA SHQIPTARE in Albanian 29 Dec 94 p 1

[Report by "St. Ma": "'Now, You Are Listening to Radio Vlora', the First Private, Still-Illegal Radio Station"]

[FBIS Translated Text] Vlore—The first private radio station is born. A passion for this kind of work—not yet legalized but very greatly debated in Albania—has led a young man from Vlora to defy the endless debates of specialists and breach the atmosphere of waiting for the legislation to be prepared. It has been several days since he launched the signals of his radio station over the coastal city. Its waves have spread very quickly, and now at a distance of 30 kilometers from the town, under the announcement "This is Radio Vlora," everybody can hear its voice 24 hours a day on the frequency FM 104.

The program of this radio station is almost entirely music, so it has entered every Vlora household, and the stereos in people's cars. Songs and melodies are all foreign, taken from contemporary discs of the most successful European groups. Italian music takes first place. Every once in a while, the music is punctuated by short news clips. The voices of two speakers—a boy and a girl—intervene with information and reports on various events from the world of entertainment.

However, although the programs of "Radio Vlora" have become quite popular, its founder remains enigmatic. Nobody knows him. They say he is a young boy who has just returned from Greece where he bought the radiophonic equipment that he has installed in his home, the address of which has remained secret. All this mystery shrouding "Radio Vlora" seems to have increased its popularity, causing the people of Vlora to tune their radio sets to the FM 104 frequency alone.

Several Former Officials Accused of Corruption

AU0401165695 Tirana GAZETA SHQIPTARE in Albanian 31 Dec 94 p 1

[Report by Carlo Bollino: "Scandals Are Exploding Along With the Fireworks"]

[FBIS Translated Text] Tirana—It is New Year's Eve and festive fireworks are going off. However, not only in Albania's sky. Explosions less happy but no less noisy have been heard over the last few days in the corridors of power. Three scandals of further, unpredicted developments have engulfed important names in the political and institutional world. Zef Brozi, chairman of the Supreme Court, was for several hours in the irritating position of sitting in the defendant's seat—having been, up to that moment, a tough indicter (and very often praised for it). Then, tension diffused, the accusation was withdrawn, but the incident (because up to that moment it seemed to be only an incident, though not totally clear) has once again demonstrated that nobody is untouchable.

[There were] "Fireworks" also for Genc Ruli and Artan Hoxha, both former ministers who resigned last winter in a climate of heated polemics. Today their names, together with that of Rexhep Uka, are all of a sudden reappearing, involved in a mysterious affair concerning the alleged scandal of wood exported to Italy." "Shots" against Fatos Bitincka and Albert Gajo, the first being the erstwhile minister and the second the prime minister's adviser. Heavy charges are weighing on them also. If this really happened it would be tantamount to personal betrayal for Gajo.

Rumors of corruption within the current administration have been heard for a long time, and any intervention by the courts can only be welcome. It is important that problems be cleared up as quickly as possible and the real culprits punished, and innocent people left alone to continue their work. It is perhaps this important wish that, in these confused festive days, we would like to address to the country, bearing always in mind that justice can never be politicized and must never halt, not even in the face of politics.

Leading Members Walk Out of PSD Meeting

AU0401165295 Tirana LAJMI I DITES in Albanian 22 Dec 94 p 1

[Report by J. Zaloshnja report: "PSD Vice Chairman is Dismissed"]

[FBIS Translated Text] Yesterday a meeting of the National Steering Committee of the Social Democratic Party [PSD] of Albania was convened, at which differences within the party were debated. According to the PSD's Skender Gjinushi, it was the PD [Democratic Party] that wreaked adversity among the ranks of Social Democrats. He described the declaration of the 26 members and leading figures of the PSD in support of the constitution as an organized act.

According to Gjinushi, problems could have been quietly resolved inside the party. "However," Mr. Gjinushi added, "if we must deal with a new party, the way is open to anybody to form it." PSD Deputy Chairman Teodor Laco pointed out that problems and disagreements within the party were old, saying that the climax was the party's position regarding the constitution. After demanding explanations for some of the party's latest stands, Laco accused the Social Democrats of flirting with the Socialists. "It is you who are the real splitters of the PSD," he said. Then Laco explained why he accepted the post of minister of culture, youth and sports. Some of the speakers expressed their wish that the PSD not split. However, two members of the presidency and four members of the steering committee staged a walkout from the meeting. In the end, the expulsion of the four members from the steering committee and Teodor Laco's dismissal from his posts within the party were approved with a majority of votes.

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PSD Group To Form New, 'Genuine' Party

AU0401165395 Tirana LAJMI I DITES in Albanian 22 Dec 94 p 1

[Unattributed report: "A New Social Democratic Party Will Be Created"]

[FBIS Translated Text] The organizing committee of a new social democratic party is preparing a declaration signed by 25 members of the presidency and the national committee of the PSD [Social Democratic Party of Albania] and 37 members of the district steering councils, as well as 31 intellectuals who are for the first time taking part in this political formation. The founders of this party are prompted by their desire for Albania to have a genuine social democratic party, one not influenced by the old Communist mentalities and practices. They express their dissatisfaction against the political line pursued by the present leadership of the PSD, which has tarnished its social democratic image, impeding the growth of this party and its electorate. They are also against the positions adopted by this party toward existing alliances with other democratic forces and toward new alliances being created openly or behind the scenes. These positions are leading it toward loss of identity and integration into other extreme left-wing forces.

In their declaration, the organizers of the new political formation express the opinion that a resolute and consequential social democratic party is indispensable in order to harmonize a political center that could serve to balance Albanian politics. The call for genuine social democrats to unite under the new political formation and create anew the image of a social democratic and anticommunist party, in defense of democracy and the interests of large segments of the population: workers, peasants, intellectuals, pensioners, former political persecutees, and small proprietors. [sentence as published]

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Zhelev Talks With BSP, SDS Leaders

AU0301185195 Sofia Khorizont Radio Network in Bulgarian 1600 GMT 3 Jan 94

[FBIS Translated Text] Following his meetings with the leaderships of the BSP [Bulgarian Socialist Party] and the SDS [Union of Democratic Forces], President Zhelyu Zhelev told national media representatives: It is quite normal for me to meet the two largest political forces after the early parliamentary elections held at the end of 1994.

During his talks with the leadership of the BSP and its coalition, Zhelev expressed the hope that after their election victory, the Socialists and their coalition partners would govern the country in accordance with the Bulgarian Constitution, would continue the economic reforms that had been initiated, and would carry on with the work of integrating Bulgaria with the European and Euro-Atlantic structures.

At his meeting with the newly elected SDS leadership, President Zhelev voiced his wish that the SDS would be a constructive opposition in the 37th National Assembly. In President Zhelev's view, there is no question of the caretaker government's having to make a report to the new National Assembly. The caretaker government is not subject to parliamentary control in the full sense of the word as stated in the Constitution, he said, and added that Reneta Indzhova's cabinet had operated with sufficient transparency and was unlikely to conclude its work by making a public report on its activities to the Bulgarian public.

Zhelev, BZNS Representatives Discuss Parliament

AU0401180695 Sofia Khorizont Radio Network in Bulgarian 1700 GMT 4 Jan 95

[FBIS Translated Text] President Zhelyu Zhelev today met with representatives of Anastasiya Mozer's Bulgarian National Agrarian Union [BZNS] to discuss the constitution of the 37th National Assembly and the political situation in the country following the early parliamentary elections.

As usual, we were able to establish that we hold common positions on all issues, BZNS Organizational Secretary Petko Iliev said after the meeting. The Agrarians, who as you know form part of the People's Union, told President Zhelev that, in their view, the democratic processes in the country are irreversible, despite the election results. They also said they intend to form a constructive opposition in parliament whose aim is to unite all the parliamentary and extraparliamentary anticommunist forces in Bulgaria.

BBB Said Not Joining BSP Coalition Cabinet

AU0301185095 Sofia Khorizont Radio Network in Bulgarian 1700 GMT 3 Jan 95

[FBIS Translated Text] At a news briefing today George Ganchev, leader of the Bulgarian Business Bloc [BBB], said that BBB representatives will not join the cabinet of the Bulgarian Socialist Party [BSP] but that the BBB parliamentary group will support specific bills proposed by the BSP for amending the Land Act and legislation concerning the Army and Police. We want to support the BSP so as to speed up the legislative work, Ganchev said, but we will not break off our friendly relations with the SDS [Union of Democratic Forces] and the People's Union.

Sokolov Elected Parliamentary Faction Chairman

AU0501104095 Sofia Khorizont Radio Network in Bulgarian 1000 GMT 5 Jan 95

[FBIS Translated Text] The members of the Union of Democratic Forces [SDS] parliamentary faction, who had their first meeting today at SDS headquarters, decided to accept the proposal of the National Coordinating Council and elected Yordan Sokolov chairman of the SDS parliamentary faction.

At the moment the SDS deputies are electing the deputy chairmen of their parliamentary faction. These will most probably be Petur Stoyanov and Ekaterina Mikhaylova.

Merits of Eliminating 'Arms Imbalance' Viewed

AU0501092995 Sofia 24 CHASA in Bulgarian 29 Dec 94 p 8

[Editorial: "Who Will Revise the Arms Balance in Balkans?"]

[FBIS Translated Text] If corrections to the Treaty on Conventional Weapons in Europe are envisioned, then one should start with the Balkans, rather than with Chechnya, as Moscow demands. This is so because eliminating the arms imbalance in the Balkan peninsula could prevent a future war, while doing this in the Caucasus would only intensify the war there.

The West ostensibly sent obsolete weapons to Greece and Turkey, but in practice, our neighbors succeeded in rapidly modernizing their armies. Nothing is being offered to us except Russian tanks and aircraft, a portion of Russian Army cuts.

Today Europe would hardly agree with Moscow, but in a year, when the Paris Treaty expires, the issue will become topical again. Then Sofia will be able to find out who its friends and enemies are.

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Minister Reports 17,495 Entities Privatized

AU0401210495 Prague LIDOVE NOVINY in Czech 30 Dec 94 p 3

[Article by "ce, has": "Roughly 250 Enterprises Re[illegible]in To Be Privatized"]

[FBIS Translated Text] Prague—A total of 17,495 entities, with a book value exceeding 912 billion korunas [Kc], were privatized by the end of September 1994. This comes from a reply by Privatization Minister Jiri Skalicky (Civic Democratic Alliance) to an interpellation from Deputy Jozef Wagner (Czech Social Democratic Party). The ownership of the largest number of entities, 8,770, were transformed by means of direct sale. The value of property transformed in this way amounts to almost Kc88 billion. A total of 1,850 entities, with a book value of more than Kc9 billion, were sold in public auctions; 1,854 entities, with a book value of more than Kc740 billion, were transformed into joint-stock companies; 926 entities were privatized by means of public tender; and 4,095 entities were transferred to new owners free of charge. The value of property sold, including shares, reached Kc25.2 billion. In his reply, Skalicky notes that 4,429 entities, with a book value of Kc500 billion, remain in state ownership. It is expected that some 250 of them will be privatized.

Czech Approach to CEFTA Explained

95CH0074C Prague PRAGUE POST in English 6 Dec 94 p 4

[Article by Vladimir Todres: "Czechs Reject Political Ties Within Free-Trade Agreement"]

[FBIS Transcribed Text] Poznan, Poland—A meeting designed to cement relations among Central Europe's emerging democracies served instead to point out how little cooperation currently exists among those countries.

When the prime ministers of the Central European Free Trade Association (CEFTA) countries met in Poznan, Poland, Nov. 25, Czech Prime Minister Vaclav Klaus reaffirmed his opposition to political interdependence between the so-called "Visegrad" countries of Poland, Hungary, the Czech Republic and Slovakia, saying that as members of CEFTA, the Czechs are only willing to cooperate on trade issues.

"Now the Czech Republic, in its dictionary, literally translates 'Visegrad' as 'CEFTA,'" said Klaus at the final press conference in Poznan, thus summarizing the Czech approach to common Central European activities as a purely economic one.

Polish and Hungarian leaders were eager to see the Central European states coordinate their efforts in a common market in hopes of joining the European Union as soon as possible. But the economic cooperation on which all the parties agreed is developing slowly.

The CEFTA free-trade pact, signed by Poland, the Czech Republic, Slovakia and Hungary in December 1992, first aimed at creating a common market of 65 million by 2001, with the deadline later moved up to 1998. The entire agreement is considered by many as a "preparatory class" for the countries to attend on their way to the EU.

Skepticism over the pact is shared by many. "After the first 11 months of the agreement's existence, we can see no results," Czech Ministry of Trade and Industry Vladimir Dlouhy said last February.

Nine months later, at the CEFTA conference, Klaus expressed virtually the same complaint: "I am sorry to say that up to now, liberalization measures have not succeeded in achieving large-scale and rapid increase of our mutual trade."

In Slovakia, 31.3 percent of all imports and 47.3 percent of all exports are to CEFTA countries (about 90 percent of this trade is with the Czech Republic). Only 15.4 percent of Czech trade is with Slovakia, 1.16 percent with Hungary and 2.72 percent with Poland. Poland's trade with all its post-communist partners adds up to 15 percent. The emerging economies of Central Europe seem to prefer Western markets to those of their former Comecon comrades.

Self-imposed restrictions on trade were agreed upon by the CEFTA countries. Although tariffs for 60 percent of their products were completely abolished in 1993, another 40 percent of so-called "sensitive and highly sensitive items," have been excluded from the free-trade mechanism.

For example, Poles are protecting their automakers and Hungarians their textile industry, while all the countries act to protect agriculture. Hungary faced criticism recently after increasing customs duties on agricultural products earlier this month.

Despite these setbacks, the heads of government agreed to "accelerate the abolition of existing restrictions" in their final declaration at the CEFTA conference.

It remains to be seen whether they can succeed. "CEFTA has done everything that was more or less simple. But there is little clue how to manage all that remains," commented Boguslaw Zalewski, vice president of the Poznan International Fair Ltd.

Despite Czech reluctance, Hungary and Poland are keen to broaden the pact's activities to the realm of politics. Polish Prime Minister Waldemar Pawlak and his Hungarian counterpart, Gyula Horn, urged their partners to join their efforts in knocking on the EU's gates.

"We should discuss together how our agreements with the EU are being fulfilled," Pawlak said.

Horn noted, "Having a common position is especially important now, when the European Union seems to be

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cooling toward our region. (Our countries) haven't been invited to the December meeting (of EU countries) in Essen."

As the influential Hungarian daily MAGYAR HIRLAP pointed out a day before the Poznan meeting, "a common strategy of relations with the EU can be agreed upon only if Poles and Hungarians are able to convince the Czechs, who want to act alone and welcome only economic rather than political cooperation." Slovakia, which has been embroiled in internal political crises, is reluctant to cast its vote on the question.

Horn and Pawlak have agreed on political cooperation between their countries, and will coordinate their steps toward admission to both NATO and the EU. Horn even suggested involving Russia in these negotiations, in order to "dispel Moscow's fears."

In Poznan, the "initial four" opened their club to new members, with requirements being that they have signed both an association agreement with the EU and the Global Agreement on Tariffs and Trade (GATT).

The first newcomer will obviously be Slovenia, a newly emerging economic tiger in the post-communist world, which has signed free-trade agreements with all the CEFTA countries except Poland. Slovenia will join CEFTA as soon as it signs an agreement with Poland.

Slovenia, however, is still widely perceived as a surprisingly quiet piece of the ex-Yugoslavian battlefield rather than a truly successful economy returning to Europe, and may expect more political gains than economic profits from CEFTA membership, as Slovenian Prime Minister Janez Drnovsek hinted in Poznan.

"The crisis in ex-Yugoslavia makes our interest in integration to Europe (and Central Europe in particular) increase," he said.

Slovenia exports 7 percent of its goods to CEFTA countries and imports 15 percent from the member nations. Until recently, Slovenian politicians described the CEFTA mechanism as "not dynamic enough."

Army To Invest Kc120 Billion in Arms by 2005

AU0401210295 Prague MLADA FRONTA DNES in Czech 30 Dec 94 p 1

[Article by Jaroslav Kmenta: "Unlike the World, Prague Invested More in Disarmament Than in New Arms"]

[FBIS Translated Text] Prague—While most countries in the world invested mostly in new arms this year and spent much smaller sums on disarmament, the Czech Republic behaved the other way around.

The Czech Army has made hardly any investments in new arms in 1994, while it has spent some 100 million korunas [Kc] on scrapping surplus equipment and weaponry.

"We have been purchasing only essential spare parts for wornout machinery this year. Spending on armament has really been minimal or nonexistent," Frantisek Veprek, director of the Army's logistics support, said.

Prague should lose its position as early as next year, however, when the ratio between the volume of funds earmarked for armament and disarmament is to be reversed. The so-called Army modernization acquisition plan, which goes into effect on 1 January 1995, envisages the first investments in new arms. Overall, the Ministry of Defense intends to invest up to Kc120 billion in rearmament by the year 2005.

Most of this money will be spent on the modernization of the air force and air defense systems, the purchase of new ammunition and weapons, and the modernization of radars.

The cost of the disarmament process, on the other hand, will progressively decline in the coming years because only 10 percent of the equipment the Republic pledged to scrap, according to international disarmament treaties, remains to be liquidated.

In 1995, the Army will have to scrap some 1,000 tanks, cannons, howitzers, and armored combat vehicles. Since 1993, about 3,000 pieces of heavy equipment, including aircraft, have been scrapped in the Republic.

According to a report of the Washington-based Worldwatch Institute, which is probably the first systematic study of disarmament budgets since the end of the Cold War, governments have spent 140 times more on armament than on disarmament.

U.S. Help for Aircraft Firms Sought

95CH0074B Prague PRAGUE POST in English 6 Dec 94 p 5

[Article by Maggie Ledford Lawson: "Czech Aviation Gaining Altitude"]

[FBIS Transcribed Text] The financially plagued U.S. aerospace industry got a chance to help the equally strapped Czech aerospace industry pull out of its tailspin in two major deals last week.

In a long-anticipated move, the U.S. aviation company Rockwell won a contract to help modernize L-159 light planes made by the Czech firm Aero Vodochody.

The L-159 contract originally seemed earmarked for an Israeli firm, Elbit. But after allegations of improprieties in the bidding process, the government reconsidered the deal, winning the approval of U.S. representatives.

"We just felt that the bidding process should be fair," said one U.S. diplomatic official.

At the same time, the Czech aviation company Let Kunovice is hoping to form a joint venture with the U.S.-based Fairchild Inc.

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Let, located in Uherske Hradiste, is seeking technical assistance rather than an equity investment from Fairchild, said Let director and general manager Zdenek Pernica. He met with Fairchild officials while on a Czech trade mission to Texas in October. The company is now waiting for a response from the U.S. firm.

Fairchild officials were unavailable for comment.

The Czech firm, which builds small commercial aircraft, has been battling fierce economic head winds since its main customer, the Soviet Union, landed on hard times.

The company had geared up for a major contract with Moscow prior to the fall of the communist system, taking on a load of debt in the process. Former Soviet bloc countries still buy some planes from Let, but not nearly enough to bring the Czech firm into the black.

Pernica wouldn't disclose how much money his firm lost in 1993, saying details would be released at a Dec. 22 meeting of shareholders in Aero holding, the company's parent firm. Pernica is also director and general manager of Aero.

Still, he is optimistic for the future.

Let hopes to complete development of its L-610 turboprop, a 40-passenger aircraft that is close to certification by the U.S. Federal Aviation Administration. The firm has spent $200 million on the L-610, Pernica said, and needs another $13 million to finish the project.

Also planned are improvements in the design of the 19-passenger L-410, which was developed in the 1970s. Some 1,000 of the airplanes have been sold, but the L-410 needs modernizing, including more luggage space, to compete in the world marketplace.

The joint venture with Fairchild is only part of the company's plan for the future, Pernica said. The firm also hopes to do subcontracting for other aircraft manufacturers.

"We believe we need at least 30 percent of our capacity covered by subcontracting," he said.

Two companies have expressed an interest in purchasing the aircraft company, but the Czech firm hopes to avoid taking that route if at all possible.

Rockwell To Supply L-159 Avionics to Vodochody

95CH0064A Prague LIDOVE NOVINY in Czech 22 Nov 94 p 1

[Article by gag: "Avionics for the L-159 To Be Supplied by the U.S. Firm Rockwell"]

[FBIS Translated Text] Prague/Vodochody (gag)—The supplier of on-board electronics for the multipurpose L-159 aircraft, the development of which is significantly shared in by the Czech Army, will be the U.S. firm Rockwell. LIDOVE NOVINY was told this yesterday by Vilem Holan, minister of defense. Moreover, the Army is figuring on receiving the first 72 aircraft. Minister Holan added that "we had reached the opinion, together with Prime Minister Vaclav Klaus, that the supplier of avionics for the Vodochody aircraft would not be determined by the economic ministers but, rather, by the Ministry of Defense." According to the minister, the decision in favor of Rockwell was unequivocally based on the recommendations of a commission of experts (be it for technical, military-political, or economic reasons). In addition to the U.S. firm, other players included Elbit of Israel and the French Sextant firm. According to Minister Holan, conflict-free consultations with the Ministries of Industry and Foreign Affairs preceded the selection. The Army is figuring on receiving the first aircraft in 1998. This is one of the largest modernization investments, valued at 15 billion korunas. The choice made by the Army need nevertheless not influence exports from the Vodochody arsenal, according to Minister Holan, exports for which Aero may select another foreign partner. The new head of the board of directors of Aero, Jaroslav Borak, told LIDOVE NOVINY that "we agree with the selection made by the commission of experts."

According to information available to LIDOVE NOVINY, the decision by the minister of defense caught Zdenek Chalupnik, Aero director general, by surprise.

Bidding for Telecommunications To End in March

95CH0074A Prague PRAGUE POST in English 6 Dec 94 p 6

[Article by Lyall Davidson, former consultant to SPT Telecom: "Will SPT's Search Be Delayed?"]

[FBIS Transcribed Text] The Ministry of Economy might be forgiven for organizing a small celebration this month.

After seemingly endless delays, reversals and frustrations, the selection of a partner for SPT Telecom is set to begin, as the ministry distributes an informational memo to the 10 companies still in the bidding process. (Two contestants, South Korea Telecom and the U.S.-based GTE, have apparently dropped out.)

But the champagne corks aren't popping yet. The process will not end until next March at the earliest, when 27 percent of Telecom is slated to be sold to a strategic investor. A merchant banker representing one of Telecom's potential partners said he is already anticipating that the process will take seven or eight months—almost twice as long as Minister of Economy Karel Dyba has forecast.

Everyone—telephone users, Telecom, the Czech government and the investors—has much to gain. But the ministry must first select the right partner—then work to prevent the process from being derailed.

The ministry deserves credit for seeing the process through thus far. Over the past year and a half, no battle

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was more crucial than winning support for the Policy Paper on Telecommunications, which reportedly went through 14 drafts before approval.

The sticking point was the idea that Telecom's monopoly over international and long-distance services should be continued until the year 2000. Competition in the fixed network has been restricted to local services—in principle, to those areas that are inadequately covered by the existing network.

Without this clause, the value of Telecom to a potential investor would have diminished considerably. There would have been a domino effect on Telecom's investment program, which is targeted at renewing the network and catching up with the backlog in demand for lines by 1998.

Jiri Makovec, the man in the hottest seat in the Czech Republic—the Telecom director's chair—must be pleased to have another milestone in sight on the road to privatization. Both in private and in television interviews, Makovec is disarmingly frank about Telecom's service and the improvement programs being instituted.

There is no doubting his sincerity or determination. He has proved himself to be a tough fighter in winning independence for his company. Having brought Telecom so far, he must now be regarded as one of the leading businessmen in the country.

Makovec is a hard bargainer out to achieve the best possible deal for Telecom and its customers. And while it is the ministry that will officially select an investor, his opinion will be a determining factor.

The only people unhappy about current developments are those who favored breaking up Telecom into regional companies and licensing new operators on the fixed network.

This group includes several cable television companies, such as Kabel Plus and Dattel. The government has effectively curbed the wider ambitions of these businesses, but has offered them the opportunity to develop the network in local areas. This means granting local monopolies, which would be conditional on their providing service to residential as well as business customers. Residential subscribers are notoriously unprofitable.

Initially, the cable companies were attracted by the prospect of additional telephone revenues coming through their underutilized networks. The stumbling block is transfer pricing, which is the proportion of the revenue that they would receive on calls into and out of their territories.

Pricing is a cause of disputes in every country where there is competition in the network. It is still a point of friction between British Telecom and its long-standing competitor, Mercury.

In the Czech Republic, telephone tariffs need to be re-balanced. The users enjoy one of the lowest rates in Europe for local calls but one of the highest for international. The demands of the potential new operators in low-demand regions, where the traffic is mainly local, cannot be met out of present tariffs without subsidies from Telecom or the government.

The Ministry of Finance, which is responsible for tariff structure, could start re-balancing the tariffs by increasing local charges.

The increase would create sufficient revenue to attract competitors into the local network. This situation is analogous to the one in the United Kingdom, where the competition between British Telecom and Mercury had no immediate impact on charges; for several years, Britain had some of the highest tariffs in Europe. Now that the tariffs have come down due to pressure from Offtel, the British equivalent of the Czech Telecommunications Office, Mercury is reportedly struggling to compete.

The strategic investors will also be interested in the tariff policy to be adopted, since it will affect their calculations of future revenues and return on capital employed—and therefore how much they are willing to invest. So the Ministry of Finance will be faced with a dilemma.

It must produce a policy to re-balance tariffs, satisfy the strategic investor and stimulate competition, but such a policy will probably raise telephone charges and contribute to inflation—a bitter pill for a government committed to the idea that competition and privatization improve services and drive prices down.

It is therefore possible that the Ministry of Finance will drag its feet, and this will delay the selection of a strategic partner. Other ministries have also been known to delay the privatization of other major Czech companies at the crucial stage, and they may well get involved in Telecom's case also.

But a delay is precisely what neither the government nor Telecom can afford.

First, delays will prolong the agony for Telecom. Companies in Telecom's situation are in limbo. The company continues to function day to day, but the longer the process takes, the more strategic projects tend to grind to a halt. Some programs are simply put on ice until a strategic investor is chosen.

Second, the longer the process lasts, the greater the sense of unreality. The impact on morale is dramatic, and many people decide to look for new employment. Telecom already suffers from a chronic erosion of its key employees—particularly in Prague, where there are

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many private-sector firms eager to snap up Telecom's trained engineers and support staff, enticing them with compensation packages more than double what they receive at Telecom.

Third, 1995 will be a year of miracles in telecommunications, with a whole string of major telephone operators privatizing and hungry for investment capital.

Today, Telecom is the only show in town and is everybody's favorite investment prospect. Nevertheless, it can do without last-minute competition for funding and the attention of investors.

It also wants the strategic investor to commit its best people to helping Telecom. As alternative investment opportunities come along, it becomes more difficult to tie investors down.

Finally, Telecom has always felt that it offers the best telephone service in Central and Eastern Europe and has a strong claim to being the region's communications hub.

But Matav, the Hungarian operator, which has had Deutsche Telekom and Ameritech as its strategic partners since last December, is making rapid progress, with a reported 100,000 new connections in mobile alone.

Earlier this year, a poll of business travelers conducted by American Express suggested that visitors saw Hungary and the Czech Republic running neck and neck in terms of the quality of telephone service.

Right or wrong, it is the perception that counts, and this just might tip the balance of business opinion and investment in favor of Hungary—and away from the Czech Republic.

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Hungarian Party Head's Misgivings Over Government

LD0401210795 Budapest Kossuth Radio Network in Hungarian 1930 GMT 3 Jan 95

[FBIS Translated Excerpt] The Slovak coalition government was sworn in on 13 December. Istvan Tomko has asked Laszlo A. Nagy, chairman of the Hungarian Civic Party, about the experiences so far and future expectations.

[begin Nagy recording, in Hungarian] It is customary in politics not to criticize a new government during its first 100 days in office, so I will try to adhere to this principle. Nonetheless, I would like to offer a few sentences of assessment on the government. [passage omitted]

I do not need to explain in great detail to Hungarians in Slovakia what the implementation of the new education minister's words about opening a new Slovak-language class in every Hungarian school in southern Slovakia and the introduction of the alternative system of education would mean here. Nor does it need explanation what it would mean for southern Slovakia if the new culture minister's words calling for the state to organize itself for the defense and service of the Slovak national culture were implemented. [passage omitted]

However, I cannot interpret the new defense minister's words, either. For him, the most important criterion when building the Army is the language of command, which should be the language of the state. I do not understand why he is saying this now because, after all, the language of the Army has been the state language as it is. Much more serious is that he wishes to set up a national guard. Unfortunately, this institution in the East European countries and in southern Europe has been the means of armed conflicts in the past five years, and God forbid that such armed formations should be set up in Slovakia.

The statement of the defense minister and the prime minister also causes anxiety. They said they want the country to decide in a popular referendum about Slovakia's membership in NATO. This is unprecedented. In West Europe, it was the governments or parliaments that decided on their countries' NATO membership.

The transport minister's statements also gives cause for concern. He wishes to make use of Slovakia's strategic location by moving closer to the east and wants to build airports, motorways, and railroad lines for this purpose. [passage omitted] [end recording]

SDSS Adopts New Year's Resolutions

LD0401182695 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1100 GMT 4 Jan 95

[FBIS Translated Text] This year's first meeting between representatives of the Social Democratic Party of Slovakia [SDSS] was marked by the New Year's resolutions adopted by the party for its future political activity on the basis of an assessment of the past year. SDSS Chairman Jaroslav Volf discussed some of them in this short interview conducted by Oto Goerner:

[Begin recording] [Volf] We wish to continue pursuing a policy of broad cooperation and broad joint responsibility. That has been our credo in the past and will continue to be so. It is after all in the spirit of the New Year address by the president of the Republic. We are very pleased that the current foreign minister emphasized the orientation toward European integration and continuity in foreign policy. We support that, particularly because completely different voices have been heard, including, unfortunately, those of some members of the present coalition.

We are in favor of maintaining the present constitutional framework for the functioning of state bodies of the Slovak Republic. We believe it would be most unfortunate to go for any kind of law on the protection of the Republic. We want media commissions to be genuinely independent and impartial, and we would like the policy on personnel in public administration to be guided by competence and not by party affiliation. It cannot be said that the personnel policy of this current government is at present operating in accordance with that principle.

Naturally, in the future we would like to concentrate on economic and social policy. On the economic side, we note a lack of development impulses from the governing coalition. We expect to see them in the government program and, at the latest, in the future budget bill. We are naturally not pleased that privatization has ground to a halt. We believe that at present the National Property Fund is not functioning. Laws that have been passed or the amendment to one law and a second law are, we believe, extremely unsound and, in fact, in some respects unconstitutional, and, therefore, we intend to back moves to apply to the Constitutional Court for the laws to be annulled.

[Goerner] Do you think that in the interests of greater flexibility it will be necessary to bring left-wing parties closer together?

[Volf] I believe that left politics genuinely has good prospects in Slovakia. On the other hand, one has to consider what the character of left politics is to be. I believe that, if our foreign policy orientation continues to be that put forward by every government so far, our system of left politics should also be the same as everywhere else—in other words, built around social democracy.

I am convinced that even the present platform of the Association of Workers of Slovakia has its future in this social democratic orientation and that this would be a much happier and more sensible orientation than any other.

I believe there is a great need for a program of political rapprochement between individual entities on the left.

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There also needs to be a coordination of action, of course, but I do not think this should have any organizational basis at this stage. [end recording]

Budget Cuts Funding for President's Office by Half

AU0501135095 Bratislava SME in Slovak 29 Dec 94 p 1

[Article by "(is)": "In the Opinion of Vladimir Meciar's Government, the Office of the President Must 'Slim Down'"]

[FBIS Translated Text] Bratislava—The greatest savings in salaries and the number of staff have been achieved in the provisional budget in the chapter on the Office of the President. According to the draft state budget prepared by Jozef Moravcik's government, expenditures of approximately 166 million korunas [Sk] had been budgeted in the chapter on the Office of the President. Of this, Sk10 million had been earmarked for investments and Sk156 million for noninvestments. About Sk17 million in noninvestment expenditures was intended for the salaries of the 127 employees.

According to the tables contained in the provisional budget for the first quarter of 1995 prepared by V. Meciar's government, expenditures of Sk54 million have been budgeted for the Office of the President. Of this, Sk1.8 million has been earmarked for investments and Sk52 million for noninvestments. Of the noninvestment expenditures, resources amounting to Sk2.4 million have been earmarked for salaries. Because the salary costs contained in the provisional budget are, compared with Moravcik's draft state budget (on a quarterly basis), almost 50 percent lower, the number of employees in the Office of the President should be reduced from 127 to 60. This is the greatest, and the only, restriction as far as the number of employees and salary costs for the central bodies is concerned. In Moravcik's draft state budget, 6,475 employees and expenditure on salaries of Sk885.719 million (about Sk221 per quarter) had been taken into consideration. The provisional budget reckons with 6,408 employees, for whom salaries amounting to Sk221 million have also been earmarked for the first quarter of next year.

According to the majority of observers, the provisional budget for the Office of the President is a reflection of the tension between the president and the current ruling coalition, especially the representatives of the Movement for a Democratic Slovakia.

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Kovacs on Observers for Chechnya; Slovakia Ties

LD0401193795 Budapest MTV Television Network in Hungarian 1830 GMT 4 Jan 95

[Studio interview with Foreign Minister Laszlo Kovacs by unidentified announcer; from the "Newsreel" program—live]

[FBIS Translated Text] [Announcer] The Russian Government will soon reply to the Hungarian proposal made yesterday which conveyed the intention of the Organization for Security and Cooperation in Europe [OSCE] to send human rights observers to Chechnya. The proposal was presented by Foreign Minister Laszlo Kovacs to Russian diplomats in Budapest. Laszlo Kovacs did so in his capacity of current president of the OSCE. Hungary holds the presidency of this organization this year. Laszlo Kovacs is the guest of "Newsreel" tonight.

Let us begin, Mr. Minister, by asking whether now, when people are dying in the hundreds in Chechnya, is it not a bit strange to send, in these circumstances, a human rights committee to the spot?

[Kovacs] From the point of view of the OSCE, what is taking place in Chechnya is not an international conflict because Chechnya is a part of the Russian Federation. Nobody questions the right of Russia to ensure its territorial integrity. In other words, the OSCE's stand is not as if two sovereign states were in conflict, it is a qualitatively different crisis compared to, for example, the crisis over Nagorno-Karabakh between Armenia and Azerbaijan. In other words, it is from this point of view that we mean that we are willing to send observers—as a proposal, so to speak. However, in the proposal it was also formulated that the OSCE is ready, by any means, to promote the soonest possible political settlement of the crisis. Naturally, only a step to which Russia—the party involved—assents can be considered.

[Announcer] Even sending peacekeeping forces?

[Kovacs] Peacekeeping forces cannot be considered, precisely because we are not talking about an international crisis.

[Announcer] The second item of news this afternoon is that Slovak Prime Minister Meciar will visit Budapest at the invitation of Prime Minister Gyula Horn. Do you share the opinion which has gained ground that the chances of an improvement in Hungarian-Slovak relations have somewhat lessened with Vladimir Meciar having become prime minister?

[Kovacs] I do not share it. A government, or a foreign minister, cannot have prejudices concerning a future negotiating partner. What we have is not prejudices, but interests, and our interests demand a sorting out of Hungarian-Slovak relations. Just as—in my conviction—Slovakia's interests demand the same thing. We are two neighboring countries. A settling of the relationship, a normalization of the relationship, an elimination of the tensions—this is a security issue, an economic issue. Truly good economic ties are inconceivable without the political relationship being problem-free.

There is also a special issue—the minority issue. Hungary cannot do anything for the Hungarians in Slovakia, and Slovakia cannot do anything for the Slovaks in Hungary if the relationship is strained.

And finally another thing: Both countries are endeavoring to join, to be integrated into the Euro-Atlantic region. Neither of us will be desirable participants in Euro-Atlantic integration if between ourselves we are unable to sort out our problems. Therefore, these are joint interests between Hungary and Slovakia, and this joint interest serves as encouragement that the relationship can be settled.

[Announcer] Thank you Mr. Minister.

[Kovacs] I thank you too.

Kuncze on Police Funding, Staffing, Crime

LD0401231895 Budapest Kossuth Radio Network in Hungarian 1730 GMT 4 Jan 95

[FBIS Translated Excerpt] Several hundred police officers have been discharged. The Interior Ministry's deficit is over 1 billion forints. The citizens' sense of security is deteriorating. How can all this be changed? This is what Judit Laszlo asked Interior Minister Gabor Kuncze after today's meeting of ministry leaders.

[Begin recording] [Laszlo] The financial and economic situation of the police is expected to deteriorate further this year. According to the information of one of the dailies, the police have a debt of 1 billion forints. Amid such circumstances, how can the citizens expect the police to do their utmost for their safety?

[Kuncze] It is necessary to be aware, in connection with this rolled-over debt of 1 billion forints, that it has existed since 1991. What is at issue here is that concerning this amount, the police are late in making their payments.

It is true that the police organizations under the Interior Ministry will remain in an unfavorable situation in 1995, since following from the general budget situation there will be no considerable improvement in the financing of the police organizations. This will compel the organizations to take much greater care to economize, and within this the police in the second half of 1994 had to prepare a special plan of measures aimed at working off the debt. Improvement is expected in this sphere in 1995.

[Laszlo] Are the police otherwise receiving government assistance so that they, for example, can pay their bills or have sufficient money?

[Kuncze] The police have not received extra funds for this purpose in 1995.

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[Laszlo] It has been said several times that the police seem to have disappeared from the streets; indeed, we can see this as well. I know of one explanation—that several hundreds are discharged from the police monthly, because they are dissatisfied with their pay. And to be sure there must be other considerations too.

[Kuncze] A detailed analysis of the departures is under way now. More than 50 percent of those leaving have retired, and there are many who—after several years or decades of service—have become unsuited to doing the job from the viewpoint of health. However, there also is the consideration that very many are seeking a better livelihood, and this is why they leave their career in the police.

I must note that many people also inquire about a police career. The problem is that the people who leave have experience. Those who are freshly recruited must be trained. This leads to extra costs, and until they acquire the necessary experience, the general activity of the police suffers the consequences of lack of experience.

[Laszlo] Let us discuss violent crimes. There is shooting on the streets of Budapest, and the question is rightly asked: Who will protect the citizens?

[Kuncze] We have now reached the big question of 1995. An automatic reduction in crime naturally cannot be expected. The police must be put into a situation in which they are able to curb any increase in crime.

The system of conditions for this is available only to a limited extent at present. If the negative trends strengthen greatly in 1995 then—and this is what I too think—government intervention will be necessary in this sphere. Serious crimes came to the forefront in 1994 and they constitute a major irritant to public opinion. Police activity will have a restraining effect if they are able to show significant results in bringing these serious crimes to light. In the most recent shooting affair, the police were quite quick in catching the perpetrator or perpetrators; the police must be put into a situation so that they are able to meet the requirements expected of them.

[Laszlo] You did not exactly paint a rosy picture in regards to economic crimes, either. According to predictions, the legal and illegal economy will become intertwined. Economic corruption will assume larger dimensions. From this viewpoint the question arises of whether the police should use all their means to bring economic crimes to light.

[Kuncze] The government treats this sphere as a high priority. Accordingly, it is providing extra support to the tune of 250 million forints to strengthen this area. This could result first in increasing the numbers of employees dealing with this, and second, in greater professional training for those who deal with this.

It also is worthwhile to examine the legal background that facilitates and supports police action in combatting economic crime, and it is worthwhile to examine the legal practice concerning the punishment to be expected by those involved in such things. Generally, the situation concerning the maintenance of law and order for economic activities must be clarified. This is not necessarily the task of the police. Undoubtedly the Interior Ministry can make proposals on this to the Justice Ministry, and investigations concerning this are under way within the Interior Ministry.

[Laszlo] Dirty money—primarily in the initial period of privatization—has been laundered. You lead recently established committee that supervises privatization. Not long ago you reported on the results following a government session. What is the latest news on this?

[Kuncze] It is extremely difficult to make progress with the investigations for various reasons. The investigations are taking place, however. The investigation of a further 30 privatization deals commenced recently. Parallel to this, investigations have begun at the Customs and Excise Guard, and at the Tax and Financial Inspection Office.

[Laszlo] Another sphere of money laundering is VAT [Value-Added Tax] claims and related fraud. It has become public knowledge that a Budapest mafia has control of this sphere. VAT fraud has been on the agenda for years, and it seems that the swindlers are a good number of years, a good number of steps, ahead of the police.

[Kuncze] It is up to the Tax and Financial Inspection Office, and not the police, primarily, to bring VAT fraud to light. Investigations to this end began at the Tax and Financial Inspection Office last autumn. Investigations must follow two paths. First, VAT frauds involving large sums in the past must be revealed. Second, looking to the future, a system must be set up which from the outset makes VAT fraud impossible or considerably reduces the possibilities of VAT fraud.

[Laszlo] On the subject of organized crime, a few high-ranking police leaders have said that organized crime has reached decisionmakers in economic and political life. The other day Bela Katona, minister without portfolio [in charge of the National Security Office], said that people close to organized crime had appeared in the vicinity of politicians and National Assembly deputies. The parliamentary deputies were warned of this, and they welcomed this warning. When might light be shed on the specifics?

[Kuncze] These statements must be treated with great caution—in the end one might think that crime and politics are beginning to become intertwined. However, these comments are not aimed at this. There is no specific information. If there was it would be necessary to take very tough and firm action against them.

I otherwise consider the statement by Bela Katona in connection with this to be correct. It could happen any time. A politician frequents very many places, and in this

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regard it could easily happen that people who otherwise live off crime appear in his surroundings. These warnings are very good for the politicians, but they do not refer to direct contacts. That must be emphasized. [passage omitted] [end recording]

Spent Nuclear Material En Route to Russia 'Soon'

LD0401212895 Budapest Kossuth Radio Network in Hungarian 1800 GMT 4 Jan 95

[FBIS Translated Text] The first train this year carrying spent heating cartridges from the Paks nuclear power station will set off for Russia soon. The train is already being prepared. However, no information is being given at the power station about the time of the departure and the route. The train consisting of silver-colored special carriages will be given the green light throughout, and it will stop only at the border. After long negotiations last year agreement was reached that Hungary could transport two trainloads of spent nuclear heating elements to Russia in 1995.

Interior Minister Reports on Increased Smuggling

LD0401143995 Budapest Kossuth Radio Network in Hungarian 1400 GMT 4 Jan 95

[FBIS Translated Text] According to Interior Minister Gabor Kuncze, the crime situation does not have a rosy prospect in Hungary this year. Gabor Kuncze said this at a meeting of ministry leaders. Evaluating the past year, he said there has been a significant growth in corruption and in the number of crimes connected with privatization. The interior minister fears a further increase in economic crime this year, the intertwining of the legal and the illegal economies, and the growth in the organization and capital strength of criminals. International criminals now, apart from the smuggling and sale of drugs, are making more and more attempts at arms smuggling, storing radiation and chemical materials in Hungary, and forging bonds and securities.

Discussion on Government Economic Stabilization

LD0401201195 Budapest MTV Television Network in Hungarian 1830 GMT 4 Jan 95

[FBIS Translated Excerpt] According to data published today by the Hungarian National Bank, Hungary's external debt last year exceeded $28 billion. The government's modernization and stabilization program, which is under way, aims at reducing this, easing inflation, and starting a modest economic growth. The program was discussed by the economic cabinet this afternoon.

[Correspondent] Experts consulted each other about the program this afternoon in the Ministry of Finance. However, those invited—Miklos Pulai, secretary general of the Federation of Banks; Erno Kemenes, lecturer at the Economics University; and Andras Vertes, managing director of the Economic Research Ltd—were unwilling to comment. [passage omitted]

Finance Minister Laszlo Bekesi announced on leaving the meeting that the draft program will be submitted to the government on 26 January. [passage omitted]

Growing Hungarian-Ukrainian Trade

95P20331A

[FBIS Media Note] The Hungarian-Ukrainian intergovernmental committee on economic and technical cooperation decided the beginning of December to start consultations "soon" on a free trade agreement, reported the daily MAGYAR HIRLAP on 9 December under the title "Increasing Hungarian-Ukrainian Trade." The committee, chaired by Hungarian Minister for Industry and Trade Laszlo Pal and Ukrainian Minister for Foreign Economic Relations Sergei Osikas, decided to expand the main border crossing at Zahony-Chop and to work out "concrete" plans for "cooperation" in the fields of vehicle production, metallurgy, agriculture, pharmaceuticals, and medical technology. In the first ten months of 1994, trade between the two countries "picked up," according to MAGYAR HIRLAP, with "exports increasing 36 percent to $166 million," and "imports increasing 76 percent to $186 million." In 1993, the total trade was worth $300.7 million, with $159.3 million in exports and $141.4 million in imports. The "most dynamic" export growth has been in canned goods and alcoholic beverages, while the export of buses and medical supplies decreased. The "significant" imports are sunflower seeds, chemical products, and iron ore, the paper reported. Hungary and Ukraine have already signed investment protection and transportation agreements, and have "coordinated" their views on air transport, plant diseases, and transit agreements. Negotiations on eliminating double taxation are continuing, reported MAGYAR HIRLAP.

The Hungarian-Ukrainian intergovernmental committee also discussed "regional cooperation" between eastern Hungary and Transcarpathia in Ukraine, the daily NEPSZABADSAG noted in its 9 December report on the Hungarian-Ukrainian trade talks. The paper did not provide further details on this aspect of the negotiations.

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Walesa: Talks Needed To Resolve Chechen Conflict

LD0401155095 Warsaw PAP in Polish 1508 GMT 4 Jan 95

[FBIS Translated Text] Warsaw, 4 Jan—Polish President Lech Walesa has been following "with concern and disquiet the situation in Chechnya" and "calls (...) for talks to be commenced in order to reach an agreement." The following is the text of a statement received by PAP from the press office of the president of the Polish Republic:

The press spokesman has been authorized to deliver the following statement by Polish President Lech Walesa:

"The Polish public and I personally have been following the situation in Chechnya with concern and disquiet. The use of force, particularly the bombardment of towns, housing estates, and hospitals, has led to bloodshed and caused numerous casualties among the fighters and, what is particularly painful, among the civilian population. Living conditions are rapidly deteriorating. Human rights are being violated. Also, I know from my own experience that it is impossible to resolve problems through the use of force. The use of force, instead of bringing a solution to the conflict nearer, only causes its further inflammation.

"I call on the authorities to begin talks in order to reach an agreement. I call on the public to reflect on the causes of tragic conflicts afflicting the world now at the end of the 20th century."

Controversy Over Defense Minister Post Aired

LD0401204595 Warsaw TVP Television First Program Network in Polish 1830 GMT 4 Jan 95

[Passages within quotation marks recorded; relayed by Warsaw TV Polonia network]

[FBIS Translated Text] The prime minister has asked the president to appoint Longin Pastusiak from the Democratic Left Alliance [SLD] to the post of minister of national defense. Mieczyslaw Wachowski, head of the President's Office, said that Lech Walesa will not accept this candidacy. The SLD leaders say that, if the president does not change his opinion, Longin Pastusiak will be appointed as an administrator of the Defense Ministry because the president's consent is not required to appoint him to this post. Longin Pastusiak will manage the work of the ministry but will not become a member of the Council of Ministers.

Mieczyslaw Wachowski said that the prime minister's request, which was received today, does not conform to constitutional requirements because it was not preceded by official consultations with Lech Walesa.

[Mieczyslaw Wachowski, head of president's office—identified by caption] "The suggestion to appoint Longin Partusiak undermines the credibility of Poland's wish to join NATO. In my opinion, it is an insult to the Poles."

[Correspondent] Minister Wachowski's reservations are connected with Longin Pastusiak's pre-1989 publications, in which Professor Pastusiak, who was a member of the Polish United Workers Party, wrote about America and NATO.

[Zbigniew Siemiatkowski, SLD spokesman—identified by caption] "We think he is one of the best candidates, whose experience and work within the North American treaty so far deny those statements you just quoted."

[Correspondent] Minister Wachowski says that the president will most certainly not accept the candidacy of Longin Pastusiak.

[Wachowski] "The president has already said, I think that before leaving for Japan he told journalists that this candidacy would not be accepted at any cost."

[Siemiatkowski] "If the president's opposition continues and he blocks Longin Pastusiak's constitutional appointment to the post of defense minister, another solution, also from the small constitution, would have to be found and he would have to be appointed as an administrator of the Defense Ministry."

[Correspondent] According to the SLD spokesman, the appointment of Longin Pastusiak as an administrator of the ministry would not damage relations between the president and the coalition because they are so bad that further worsening would not matter much.

Interview With Former Defense Minister

WS0501122295 Warsaw GAZETA WYBORCZA in Polish 28 Dec 94 p 13

[Interview with former Defense Minister Piotr Kolodziejczyk by Luiza Kowalska and Igor Zalewski; place and date not given: "I Was Resistant to War—An Interview With Piotr Kolodziejczyk, the Former Defense Minister"]

[FBIS Translated Excerpt] [GAZETA WYBORCZA] When the members of parliament were analyzing the course of the lunch in Drawsko, military units received via official channels a questionnaire in which soldiers had to declare on whose side they were, Kolodziejczyk's or Wilecki's, and to whom the chief of staff should be subordinate, the minister or the president.

[Kolodziejczyk] These were very hot days. At that time, I thought that the issues concerned only a few military units and therefore I did not react. I know today that the questionnaire had a far wider range. They wanted to have an idea about the atmosphere among the lower personnel and then react in an appropriate manner to those results, pulling to their own side the undecided.

[GAZETA WYBORCZA] Who sent out these questionnaires? General Wilecki?

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[Kolodziejczyk] He did not have to do it personally. His verbal instruction would be enough. He then could go to the president and say: There, so many units are behind me.

[GAZETA WYBORCZA] Do the generals understand how the army should function in a democracy?

[Kolodziejczyk] I am afraid that the answer is "not quite." A few months ago, an international conference took place concerning the issue of civilian, democratic control over the army. The generals participated in this conference, received all relevant materials and...nothing happened. It went in one ear and out the other. It is a matter of mental barriers, which some people are unable to cross. I remember the excitement in the eyes of the chief of staff when he returned from Turkey: How well everything is organized over there! The Turkish Army is an institution that is ruled by its own rules, and the civilian part of the ministry is only a small addition to the big headquarters, taking care of supplying equipment, etc. The main problem is that Turkey is a very poor example for us. In fact, it is in a state of war, or at least it operates in war structures. Everything there is subordinate to the Army chief. All departments work for the needs of the Army.

[GAZETA WYBORCZA] Do our military officials engage in politics because, for the last decades, there were no wars and they did not have the possibility of checking out their capabilities?

[Kolodziejczyk] Clausewitz said that, after 25 years without a war, the army degenerates. I do not agree with this point of view. This is mainly a complex situation caused by Jan Parys and his irresponsible movements, mainly personnel: chance promotions, a farcical method of changing the chief of the military secret services, and so on. Everything was calculated in such a way as to cause fear among the senior officers and servilism on the other side. Therefore, generals today, though not all of them, are afraid that the civilians can discount the army. Thus, we see efforts to prevent the minister's seat getting into the hands of an accidental civilian, who will turn the Army's structure upside down. [passage omitted]

[GAZETA WYBORCZA] Does the effort for independence by the top Army officials spring up by itself, or has it been implanted from the outside?

[Kolodziejczyk] These are the ambitions of individual units expertly used by the top. Wilecki, for example, has a great need to be seen in the political arena. The rest have different interests: The colonels want to be promoted to general, lieutenant-colonels want to be promoted to colonel, and so on. And "the Warsaw clique" has its own rights. This is a very narrow group of people, which I would call "the Bishop Glodz parlor group."

[GAZETA WYBORCZA] Is the Army chaplain an influential person? Does he have any influence on the generals' nominations?

[Kolodziejczyk] I am sure he would like to. This year I presented to the president a list of people whom I would like to promote to general, and all were turned down. It is difficult for me to say whether I should "credit" him for this.

[GAZETA WYBORCZA] Why have the generals decided to take Walesa's side? Why did they not choose the parliament?

[Kolodziejczyk] I think it is because of inertia.

[GAZETA WYBORCZA] Because Walesa is a stable point, he governs for at least five years, while parliaments change continuously?

[Kolodziejczyk] You could also interpret this in such a way. I am talking about inertia in a different way. Such an arrangement already existed with General Jaruzelski, whose whole life was related to the Army. It is obvious that the officers inherited their mentality from the Polish People's Republic [PRL]. But I would blame not only the military for this. The parliament's attitude was also of great significance. It took care of the Army occasionally, and not in a very constructive manner.

[GAZETA WYBORCZA] What do you have against the parliament?

[Kolodziejczyk] At a minimum, its very little effectiveness in reforming the law. The act about mandatory military service has existed since 1967.

[GAZETA WYBORCZA] The president also has the right to a legislative initiative. He did not seize this opportunity in any of the "military" act cases.

[Kolodziejczyk] He probably did not want to. I expect that this is the result of certain political calculations.

[Kolodziejczyk] Recently, the president took the opportunity to use his rights and introduced to the Sejm a draft of an act talking about the scope of defense responsibilities of the highest organs.

In the spring, Walesa was led to believe that his power is being taken away from him, that the solutions designed by my ministry regarding the subordination of the chief of staff will limit his competence. To convince the president, I proposed two things: The president has the right to suspend the defense minister in the case of "parlysis" until the Sejm investigates the issue, and the minister has the right to suspend the chief of staff until the State Defense Committee [KOK] investigates the issue. Walesa, however, rejected this and continued to promote his concept of direct subordination of the chief of staff to the head of state. [passage omitted]

[GAZETA WYBORCZA] The president often says that he will do everything so that the Army has more money. But the Ministry of Defense [MON] budget is not increasing. Isn't the military a little naive to believe in him?

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[Kolodziejczyk] No, well, no, it is not. Who is following the president? The last parliamentary elections showed this. The Nonparty Bloc in Support of Reforms was not accepted by the Army because orders do not include voting.

[GAZETA WYBORCZA] But the top generals bet on Walesa.

[Kolodziejczyk] Undoubtedly, the generals like to be flirted with, but you cannot say this about the entire Army.

[GAZETA WYBORCZA] According to research conducted by the Military Institute for Sociological Reasearch [WIBS], 72 percent of professional soldiers think the president is harmful to society. Who ordered such research, Walesa, Wilecki, or you?

[Kolodziejczyk] None of us. The idea was not to indicate to us whose side to keep. The Institute has its own schedule of work and conducts research in order to know what the atmosphere in the Army is. This later allows us to properly conduct educational work. I thought that the fact that the president's ratings among the officers turned out to be worse than those among the civilian part of the community should give him something to think about and induce him to action. I wanted to talk to him about this, but, in the midst of Walesa's surroundings, everyone believes that WIBS is under the influence of the Freedom Union and that the results were a setup.

[GAZETA WYBORCZA] A hot presidential campaign is approaching, and the present Sejm can be dismissed by the president. In a political crisis, can the Army be a threat to Polish democracy?

[Kolodziejczyk] No. First of all, the entire Army is not behind the president. Only a few generals lead him to believe so. Second, the Army still suffers a martial law complex and will not allow itself to be involved in a similar affair, even if the price to pay is renouncing loyalty to the officers. [passage omitted]

[GAZETA WYBORCZA] A nail in the coffin was your decision about the military attache offices. What was this all about?

[Kolodziejczyk] According to the Vienna Convention, the military attache offices should not conduct operational work. The military attaches are to be diplomatic representatives of the ministry and not undercover secret service agents. Therefore, I had to eliminate the military attache offices from the WSI structures and transfer them to where they should have been ages ago—in the Department of Military Foreign Affairs.

[GAZETA WYBORCZA] But this did not appeal to the General Staff.

[Kolodziejczyk] This is proof of rapacity and endeavoring to have autonomy. If the minister had limited control over these structures, the staff could conduct independent political games abroad. This is absolutely unacceptable.

[GAZETA WYBORCZA] In the last days of February, the MON press spokesman issued a press release about the transfer of some of the WSI structures to the General Staff. The decision was so sudden and the press release so confusing that even the press spokesman himself was unable to explain what it was all about.

[Kolodziejczyk] First of all, the chief of staff is responsible for constructing strategic plans and must have direct access to operational information. Second, he does not require information about the military situation in Bangladesh but, rather, about the situation in neighboring countries. The transfer of WSI structures to the General Staff was to guarantee its head better working conditions. The department, which remained in MON, was to take care of strategic espionage, collecting bigger-scale information related to larger geographical areas. It was also supposed to conduct full surveillance over the work of special services in the headquarters.

[GAZETA WYBORCZA] But why was this decision made overnight?

[Kolodziejczyk] That is not true. The work on planning the localization of the WSI took quite a long time.

[GAZETA WYBORCZA] We heard a different version from one of the high officials in MON: You returned from Romania in the afternoon. An annoyed Mr. Wachowski was waiting for you in the ministry and ordered you to immediately transfer the WSI to headquarters. After a few hours, such information was released by you to the press.

[Kolodziejczyk] No, no. Even though Wachowski could not order me to do anything, that hurt him very much.

[GAZETA WYBORCZA] And did this have anything to do with the Polsat television boss, Zygmunt Solorz?

[Kolodziejczyk] What?

[GAZETA WYBORCZA] On the following day, a big article about Solorz was published in RZECZPOSPOLITA, including information about companies that were set up by him and about several passports issued by the PRL's military missions. Besides that, one of the officials working in the Belweder suggested to us that the games around the WSI are undoubtedly connected with the Polsat boss.

[Kolodziejczyk] There were no games because the concept of the WSI localization was under planning for the past several months. If we had not made those decisions then, we could have had problems later with other movements, especially those concerning personnel.

[GAZETA WYBORCZA] The question is whether this was all related to removing the WSI chief, General

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Boleslaw Izydorczyk, who was soon sent to the United States, to the military mission. And what was the connection with Solorz?

[Kolodziejczyk] No, the Izydorczyk issue had nothing to do with the Polsat boss. The only connection is the time coincidence.

[GAZETA WYBORCZA] Gen. Wilecki said openly: I did not fight for special services, and I will be pleased to give them back.

[Kolodziejczyk] This is a vile lie. It is Wilecki, who, without my knowledge, brought with him to the KOK meeting the chief of his WSI structures so that the he could present the situation in such a way that, among other issues, the military attache offices could be returned to him.

[GAZETA WYBORCZA] Was the quarrel between you and Wilecki influenced by the color of your uniforms? You are a marine, he is a tank man.

[Kolodziejczyk] I do not know. But the Navy and the air force were always considered to be the military intelligentsia. It is not I who invented this.

[GAZETA WYBORCZA] It happened several times during official meetings that your were "relieved" by the president's officials. In the spring, in Krakow, where you were to hand a banner to one of the brigades, a last minute telephone call came from the Belweder: The banner is to be handed over by State Defense Office Chief Henryk Goryszewski. What did you think then?

[Kolodziejczyk] I felt that my persecution had begun. It had the character of a psychological war, but I was resistant to this. The local officers were very embarrassed. One could practically slam the door and turn this into a big affair. But this is not a good method.

[GAZETA WYBORCZA] You told the members of parliament examining the "Drawsko affair" that the participants of the famous lunch had to give a written obligation to the chief of staff that they would support him by presenting explanations in the Sejm.

[Kolodziejczyk] Yes, this is why I said earlier that this is a conspiracy. Then, in order to save myself and the president, it changed into a plot because if one writes something, it is a plot.

Poll Tracks Growing Criticism of Pawlak, Walesa

WS0401120495 Warsaw RZECZPOSPOLITA in Polish 3 Jan 95 p 2

[Article by Renata Wrobel: "PBS for RZECZPOSPOLITA: High Functions Performed Poorly"]

[FBIS Translated Text] *More than half of those polled do not approve of the way Prime Minister Pawlak is performing in office. Nearly three-fourths disapprove of the political style of President Lech Walesa. Dissatisfaction with the way both politicians are performing has grown over the past year. The poll was conducted exclusively for RZECZPOSPOLITA by the Social Research Laboratory [PBS].*

The changes researchers observed on a month-to-month basis were minimal and varied merely by several percentage points up or down. The overall decline in support for the way the president and the prime minister are performing their duties becomes clearly visible only when data for the entire year are compared. The number of Lech Walesa's critics rose from January to December by 15 percentage points, and those of Waldemar Pawlak by 25 percentage points. The president is still ranked lower than the prime minister, but he 'started' from a lower level.

Solidarity Likes Walesa

In early 1994, Lech Walesa ranked close to where Waldemar Pawlak is now: Slightly more than half of those polled disapproved of the way he performed, nearly 30 percent had no opinion, and more than 10 percent did not state any preference. Four months later, the results were much worse and resembled the current ones. Since then, the president has had slightly worse months (for example, October and November) or slightly better ones (from July to September), but the negative trend shows no signs of reversing.

In the majority of the polled groups, support for Walesa's style of politics as head of state is weak. The only exceptions are supporters of Solidarity (53 percent in that group support the president) and the Nonparty Bloc in Support of Reforms [BBWR] (41 percent). In comparison with results from earlier months, approval of the president has further grown among Solidarity supporters.

In the remaining groups, relatively less critical are senior citizens, those with minimum levels of education and the lowest incomes, and private entrepreneurs. Lack of acceptance, on the other hand, is most typical of people with higher education, state enterprise employees, the unemployed, and people holding high posts. Especially critical are supporters of the Democratic Left Alliance [SLD] and the Union of Labor. The constituencies of the Polish Peasant Party [PSL] and the Freedom Union [UW] hold opinions that approximate the average for the entire group polled.

PSL Supporters Respect the Prime Minister

From January to December, the proportions of opinions on the way Waldemar Pawlak performs as head of government have reversed. In the beginning of last year, he had the support of 38 percent of those polled and 27 percent of the critics. At the end of the year, critics outnumbered supporters (52 percent to 32 percent).

In the same period, the number of those who were undecided fell by half. Those who were unable to judge Pawlak in January 1994, a couple of weeks after he had

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taken office, have joined his critics since then. The sharpest decline in support was observed in the final quarter of last year.

Supporters of the PSL are the largest group backing the prime minister. Another major support group, although considerably smaller, is the SLD. Critics include supporters of UW, the BBWR, and the Confederation for an Independent Poland.

Farmers and inhabitants of the countryside hold a much better opinion of Waldemar Pawlak than do inhabitants of large cities. Housewives and unskilled workers lend their support more often than management-level staff and employees of the public sector. Approval for Pawlak's performance in office, just as the president's, is most widespread among Poles over age 60, with elementary education, in the low-income groups. Most critical are the unemployed.

The above report was compiled on the basis of monthly PBS polls for RZECZPOSPOLITA, conducted between January and December 1994, the last of which is dated 17-18 December. The polling sample consisted of 1,032 persons representative of the adult population of Poland.

Poll Shows Strongest Presidential Candidates

WS0401113995 Warsaw GAZETA POLSKA in Polish 5 Jan 95 p 1

[Article by Barbara Radzko: "Our Candidate Can Win Without Walesa or the Freedom Union: 28.5 Percent of Adult Poles Would Vote for an Anticommunist Candidate of a United Right"]

[FBIS Translated Text] A public opinion poll conducted by the ProMedia sociological laboratory exclusively for GAZETA POLSKA shows that, if presidential election were to take place now, 28.5 percent of adult Poles would vote for an anticommunist candidate of a united right wing (that figure could rise to as much as 52.7 percent if one accounted for those undecided and those who do not intend to vote). The poll, conducted for GAZETA POLSKA this past fall, produced the following election results:

	Percent of Votes
Adam Strzembosz	21.1
Jan Olszewski	17.5
Alicja Grzeskowiak	14

EBRD To Buy Shares in Krakow Bank

MM0501093095 Wroclaw SLOWO POLSKIE in Polish 17-18 Dec 94 p 18

[Unattributed article: "EBRD in the BPH"]

[FBIS Translated Text] On 15 December 1994, an agreement on the conditional sale of shares of the Industrial and Trade Bank S.A. [BPH] in Krakow was signed in Warsaw between the State Treasury of the Polish Republic, represented by the finance minister, and the European Bank for Reconstruction and Development [EBRD], situated in London. The terms of the agreement on the conditional sale of shares, hereafter "the agreement," oblige the EBRD to purchase from the State Treasury (in accordance with the provisions of certain "additional terms" specified below) up to 1.56 million (one million five hundred sixty thousand) shares, which were not offered for sale in the public sale offer at the minimum BPH share series price, for a total price equivalent to the equivalent multiple of a single share price, to be determined at a special session of the stock market scheduled for 14 January 1995. Thus, the sale guarantee applies to shares constituting up to 30 percent of the minimum sale price series—that is, some 15.06 percent of the BPH share capital.

If, within the purchase guarantee, the EBRD purchases fewer than 1.036 million shares, it will be obliged to buy additional shares according to the provisions of the "additional terms." The number of the "additional shares" will be determined by the State Treasury, and it must be such that, after making the additional purchase, the EBRD will have in all no fewer than 1.036 million and no more than 1.56 million shares—that is, no less than 10 percent and no more than about 15.06 percent of the BPH share capital.

The realization of the reciprocal obligations specified in the agreement is conditional, among other things, on the National Bank of Poland's authorizing the sale of BPH shares to the EBRD according to the provisions of Article 78 of the Banking Law Act of 31 January 1989 (Parliamentary Acts Register, Year 1992, No.72, Item 359, with subsequent amendments) and on the Council of Ministers' endorsing the proposed sale of BPH shares to the EBRD by the State Treasury according to the provisions of Article 23, Clause 2 of the Privatization of State Enterprises Act of 13 July 1990 (Parliamentary Acts Register, No. 51, Item 298, with subsequent amendments). Alternatively, the Council of Ministers may issue a confirmation that such an endorsement is not required.

The State Treasury signed an undertaking with respect to the EBRD, declaring that, if, after the date of the finalization of the operation specified in the agreement, it still owns more than 50 percent of the BPH share capital, it will carry on the process of the bank's privatization until it owns less than 50 percent of said capital.

Furthermore, the State Treasury declared that, as and when the EBRD becomes the owner of more than 1.036 million BPH shares and remains in that position, the State Treasury will undertake to carry out all appropriate action within its power to ensure that an EBRD representative is appointed a member of the BPH (Supervisory) Board no later than three months following the date on which the EBRD comes into the possession of 1.036 million BPH shares.

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Delegations To Discuss Pollution of River

AU0401195995 Bucharest Radio Romania Network in Romanian 0500 GMT 4 Jan 94

[FBIS Translated Text] The Barcau River in Bihor County [northwestern Romania] has been polluted with oil as a result of an oil well leak at Suplacul de Barcau. According to information given our correspondent Stelian Radu Cacuci by the Oradea branch of the Romanian Waters Corporation, 35 metric tons of spilled oil have oeen recovered thus far. After erecting 17 barriers on the river, the pollution of the Barcau River is now under control.

Our correspondent has informed us that a delegation of the Romanian Ministry of Environment [Forestry and Water Resources] will meet with a similar delegation from Hungary today to discuss the Barcau River pollution problem.

[Bucharest Radio Romania Network in Romanian in its 1400 GMT newscast on 4 January carries the following item: "Talks are currently being held between a delegation of the Romanian Ministry of Environment and a Hungarian delegation that aim to establish the causes of the pollution of the Barcau River and to evaluate the extent of the damage, our correspondent Stelian Radu Cacuci has informed us.

"According to initial information supplied by Bihor County Prefect Ionel Ungur, it is estimated that the pollution source might have been the drilling platform at Suplacul de Barcau, the Petrol Sub oil refinery, or the Bihor branch of the Ploiesti enterprise for the hydraulic transportation of petrol products through pipes. The joint Romanian-Hungarian commission will present the first estimates of the material and ecological damage tomorrow, our correspondent also informed us."]

Paper Examines Tokes Securitate Activities

AU0301204295 Bucharest CURIERUL NATIONAL in Romanian 31 Dec 94 p 3

[Unattributed report: "According to RENASTEREA BANATEANA, Laszlo Tokes Informed the Securitate Under the Name of Laszlo Kolozsvari"]

[FBIS Translated Text] The daily RENASTEREA BANATEANA published on its front page an article with the headline "Laszlo Tokes's Own Organization Accuses Him of Having Been a Securitate Informer" and a subhead that reads: "They Might Strip Him of the Office of UDMR [Democratic Union of Hungarians in Romania] Honorary Chairman."

The article says: "In order to refresh the memory of the former Securitate informer, we are reproducing a photocopy of his written statement pledging to cooperate with the odious Romanian secret police (a document which our daily published as early as 14 December 1990), as well as a receipt that he signed proving that he received payment for his efforts as an informer.

"Pledge:

"I, the undersigned Laszlo Tokes, born on 1 April 1952 in the city of Cluj-Napoca; of Hungarian nationality; Romanian citizenship; politically not committed; military service not completed; unmarried; with a clean criminal record; permanently residing at 37, Lenin Boulevard, Cluj-Napoca; temporarily residing at 3, Scinteii Street, Brasov Municipality, pledge to cooperate with the Securitate bodies of the Ministry of Interior and to supply information about the ideas, behavior, and actions of persons with whom I am in contact and who are specifically important to the work of those bodies.

"I also pledge to supply information about the behavior and activities of citizens of other states visiting our country and, under such cover, carrying out hostile actions against our country.

"I will supply the information in writing, in the form of notes, which I will sign with the pseudonym 'Laszlo Kolozsvari' rather than with my real name."

The daily publishes a photocopy of a handwritten receipt of pastor Tokes' in the Hungarian language that reads as follows: "I today received 20,000 lei—that is, twenty thousand lei. Thank you from my heart. May God bless you as long as you live. 20 October 1989. Signed: L. Tokes."

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Cease-Fire Commission Meeting To Resume 6 Jan

LD0401222095 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2100 GMT 4 Jan 95

[FBIS Translated Text] We have just received a report that today's meeting at Sarajevo airport has been suspended. The meeting of the central cease-fire commission, which consists of representatives of the Bosnia-Herzegovina authorities, the UN Protection Force [UNPROFOR], and the Serb aggressor side, has been suspended following talks which lasted over seven hours. The meeting, held at Sarajevo airport, was chaired by General Michael Rose, UNPROFOR commander for Bosnia-Herzegovina.

According to Hasan Muratovic, chairman of the State Committee for Relations with the United Nations, the meeting was suspended because the eight-point document on the further implementation of the agreement on the cessation of hostilities, which should have been the result of this meeting, could not be fully coordinated.

The participants in the meeting examined a report on the implementation of the agreement so far and on activities concerning its further implementation. The meeting is scheduled to resume on Friday.

Muslim Troops Said Not To Withdraw From Igman

LD0401225295 Belgrade SRNA in Serbo-Croatian 2131 GMT 4 Jan 95

[FBIS Translated Excerpt] Sarajevo, 4 Jan (SRNA)—Even after a seven-hour meeting of the central commission for the implementation of the agreement on the cessation of hostilities, held at Sarajevo airport today, no agreement was reached because Muslim troops failed to withdraw from the demilitarized areas on Mt. Igman and on Mt Bjelasnica.

Aleksa Buha, Srpska republic foreign minister and head of the Serb negotiating team, confirmed this in his statement for SRNA this evening. In his words, participants in the meeting also discussed the mechanisms needed for the implementation of the agreement and for the opening of blue routes in the Sarajevo area.

Buha said that the 10-point agreement on these mechanisms had practically been reached, but added that UN Protection Force representatives confirmed that the Muslim troops had not withdrawn from Mt. Igman and Mt. Bjelasnica, after which the meeting was suspended.

It was agreed that the talks will resume at Sarajevo airport at 1200 on Saturday [as received]. [passage omitted]

Withdrawal Begins

LD0401214495 Belgrade TANJUG in English 2118 GMT 4 Jan 95

[FBIS Transcribed Text] Belgrade, Jan. 4 (TANJUG)—Muslim forces began Wednesday, only after the deadline has fully expired, pullout from the DMZ on Mt Igman. World news agencies also reported this was being done in keeping with the agreement on the four-month truce in Bosnia-Herzegovina.

More than 1,000 Muslim troops have in the course of last summer and autumn infiltrated the demilitarized zone on Mt Igman, near Sarajevo. In this way, they violated the August 1993 agreement under which the Serb forces have handed over this zone to the U.N. peace-keepers. Muslim special units on several occasions made incursions across the DMZ against the Bosnian Serb territory. On Oct. 6 and Oct. 12 last year, they massacred about 30 Serb troops and civilians.

The Muslim pullout was a good sign for both UNPROFOR and for peace in general, said U.N. Forces Commander for Sarajevo Herve Gobillard. He said he was optimistic as regards implementation of the decision on cessation of hostilities, although Muslim withdrawal began significantly after the set deadline—on Wednesday at noon (1100 UTC).

The agreement of full Muslim withdrawal from the southwestern slopes of Mt Igman was reached Monday at a meeting of representatives of the Sarajevo Muslim government and the Bosnian Serb republic.

Pullout To Continue 5 Jan

LD0401231795 Belgrade SRNA in Serbo-Croatian 2239 GMT 4 Jan 95

[FBIS Translated Text] Sarajevo, 4 Jan (SRNA)—Representatives of Izetbegovic's government in the joint central commission for the implementation of an agreement on the cessation of hostilities in former Bosnia-Herzegovina today committed themselves to withdrawing their soldiers tomorrow from the demilitarized areas on Mount Igman and Mount Bjelasnica.

After 7 hours of talks today between representatives of the Srpska republic, the Muslim Government in Sarajevo, and UNPROFOR [UN Protection Force] at Sarajevo Airport, Bosnian Serb Foreign Minister Aleksa Buha said that the Serbs will demand to see for themselves "on the spot" whether the Muslims have kept their promise.

"We demanded that UNPROFOR carry out an inspection of the demilitarized areas on Mt. Igman and Mt. Bjelasnica, and we will stick to this," said Buha.

Having recalled that some Muslim commanders have publicly rejected the agreement on the cessation of hostilities in former Bosnia-Herzegovina, the Serb foreign minister said Bosnian Muslim political representatives will be asked at one of the next meetings to explain these statements.

Such statements, according to Buha, are a serious threat to all the agreements reached so far.

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Zubak, Rose Sign Cease-Fire Annex on Human Rights

AU0401121095 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1100 GMT 4 Jan 95

[FBIS Translated Text] Apart from the agreements on a cease-fire and the four-month cessation of hostilities in Bosnia-Herzegovina signed on behalf of the Croatian side by Kresimir Zubak, president of the Federation of Bosnia-Herzegovina, and by General Michael Rose, commander of UNPROFOR for Bosnia-Herzegovina, an annex to the agreement was also signed, it is said in the announcement issued by the cabinet of Federation President Kresimir Zubak.

In the part of the annex of the agreement on human rights, which was signed at President Zubak's initiative, it says that in the said period of time, Croats and Bosniaks must not be mobilized into the Serbian aggressor's army or taken for forced labor. Those people who were mobilized earlier should be released immediately.

The second point of the annex says that ethnic cleansing of Croats and (?Bosniaks) on the territory under the control of the Serbian aggressor's army must be stopped immediately.

Silajdzic Hails Imminent 'Change' in U.S. Policy

AU0401174695 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 4 Jan 95

[Statement by Bosnian Prime Minister Haris Silajdzic after talks with U.S. Ambassador to Bosnia Victor Jackovich in Sarajevo on 4 January—recorded]

[FBIS Translated Text] We know that, beginning today, the Congress—that is, the Senate—will undertake measures that will in a sense begin to change U.S. policy toward the issue of Bosnia-Herzegovina. In my opinion, the new direction will focus on ending the status quo on which our enemy has been counting all along.

Therefore, the current will prevail that believes that you cannot kill 200,000 people, destroy a country, capture territory, and then simply freeze the situation and wait for the conquest—accomplished through genocide and force—to be legalized. It is, therefore, our belief that beginning with today, the Senate will take steps to end the existing situation—probably on 1 May—if the enemy does not proclaim peace by that date.

We hope that by that time, the international community will have done everything possible to force the aggressor to accept the map proposed by the Contact Group. They have so far been rejecting the map, although everyone knows that we have accepted an unjust map, a map that, rather than punishing, actually rewards the (?enemy). We have accepted it in the name of peace and we expect the international community to [words indistinct]. If, however, the aggressor does not accept the map after the four months are up, it will be definitely clear that they are only stalling for time, that they are using the status quo to exhaust the international community and force it to legalize genocide. From that moment onwards we expect the international community not only to lift the arms embargo, but also to arm the Republic of Bosnia-Herzegovina so that it can defend itself in the face of aggression. We, therefore, expect this change, the procedure that will begin with the U.S. lifting of the arms embargo for Bosnia-Herzegovina—a unilateral lifting of the embargo—to begin today. [words indistinct]

Silajdzic on Serb Acceptance of Peace Plan

AU0401211895 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 4 Jan 95

[Report by Senada Cumurovic]

[FBIS Translated Text] The first point on the agenda discussed at today's meeting of the Bosnia-Herzegovina Republican and Federation Government pertained to tasks that individual ministries have to complete in the period of the four-month cessation of hostilities. Here is how Prime Minister Silajdzic assessed the basic framework of these activities:

[Begin Silajdzic recording] We have signed the agreement with the strict intention of complying with all the obligations, but we are going to exercise great caution not to allow the aggressor side any kind of military or political abuse of the agreement. In that respect, we believe that the following two issues are of particular importance: first, the strict observing of the agreements pertaining to the encircled areas of Bihac, Sarajevo, Srebrenica, Gorazde, and Zepa. Second, the revival of the peace process, which is contingent on the aggressor side's unconditional acceptance of the Contact Group plan. Third, the government will immediately intervene with the UN Protection Force [UNPROFOR] and the UN High Commissioner for Refugees [UNHCR] with the goal of immediately enabling the delivery of humanitarian aid to the encircled areas.

At the same time it would be fair and necessary that the encircled areas are supplied with the difference in humanitarian aid according to UNHCR standards to make up for the period during which delivery was impossible due to the [words indistinct]. Fourth, as far as the peace process is concerned, it could become more dynamic if the cease-fire holds. The cease-fire agreement does not prejudge political and territorial solutions since these issues were not the subject of the agreement. However, the Contact Group has drafted a plan that was disclosed to both us and the aggressor side. We have accepted the plan without any conditions because the Contact Group itself maintained the firm stance that the negotiations can only resume if (?all) sides unconditionally accept the peace plan—that is, the proposed maps. Therefore, this is not our condition, it is the Contact Group's condition and we have fulfilled it. Therefore, the negotiations can resume once the aggressor side accepts the Contact Group plan on the same terms. Without that condition, the peace process cannot progress.

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As far as the government's activities on the internal level are concerned, we believe that complying with the agreement could create better conditions for reactivating the economy. The cease-fire agreement includes elements which, if respected, [words indistinct] safer use of roads, and a more stable supply of electricity, fuel, and gas. The government has already drawn up programs for intensifying certain branches of the economy, particularly those that are important for the population's survival. It is the task of the relevant ministries to immediately complete preparations for an expedient implementation of the programs if it is established that the cease-fire is holding. In this sense, I expect the relevant ministers to inform us about the situation and to propose appropriate measures at this session.

Some people believe that it is the government's obligation to call on all citizens, all bodies of authority and institutions to maintain the highest level of defense readiness.

[Cumurovic] Following this, individual ministries proceeded to explain what is indispensable and what can be accomplished in the coming four months providing that the cease-fire holds. Prime Minister Silajdzic then proceeded to read the conclusions adopted at the meeting.

[Silajdzic] We have concluded that the government will carefully monitor the observing of the cease-fire agreement, and will accordingly undertake measures within the scope of its authority, and that it will continue with activities aimed at reviving the peace process and finding a lasting political solution for Bosnia-Herzegovina. The government maintains the position that the condition for the resumption of negotiations is the Pale Serbs' unconditional acceptance of the Contact Group plan since this condition was set by the Contact Group itself.

Third, the government will immediately intervene with UNPROFOR and the UNHCR to immediately commence the delivery of food, medicine, fuel, and other basic goods necessary for the survival of the populations of Bihac, Sarajevo, Gorazde, and Srebrenica pursuant to the signed agreement.

Fourth, since the cease-fire opens the possibility of creating more favorable conditions for the passage of goods, the safer use of roads, and a more stable supply of energy, the government will intensify its activities on reviving the economy, particularly on reviving production necessary for the population's survival. In this sense, the government requires the relevant ministries to immediately proceed with the expedient implementation of the already adopted programs regarding the revival of the economy.

Fifth, the government calls all citizens, bodies of authority, and institutions to maintain the highest level of defense readiness because experience hitherto has taught us to be cautious since the aggressor has very often violated all agreements. The cease-fire does not mean the end of the war, but it is our wish that the solution be found through peaceful means. However, this does not mean that we are giving up on continued resistance if the aggressor violates the agreement or manipulates it as a means of permanently prolonging the occupation. [end recording]

Another nine points on the agenda were discussed at today's government session.

Izetbegovic Sends Supportive Message to Dudayev

LD0401223395 Belgrade SRNA in Serbo-Croatian 2313 GMT 4 Jan 95

[FBIS Translated Excerpt] Zenica, 4 Jan (SRNA)—The Party of Democratic Action [SDA] supports the struggle of the fraternal Chechen people brutally attacked by Russia and expresses its admiration for the heroic resistance of the sehids [Islamic martyrs] in Groznyy. This is stated in a message sent by the SDA's main committee to the Chechen leader Dzhokhar Dudayev via the Iranian Embassy in Sarajevo.

Muslim radio in Zenica said today that SDA President Alija Izetbegovic said in his message to Dudayev that "the fate of all Muslims in the Caucasus is in his hands and in the hands of all Chechens" and that "a war of any Muslims is a war of all Muslims."

According to the same source, Muslim Prime Minister Haris Silajdzic recently visited Ankara and asked Turkish President Demirel to convey a similar message to the Chechen leader. [passage omitted]

Martic, Abdic 'Chetniks' Attack Velika Kladusa

AU0401120395 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1100 GMT 4 Jan 95

[Report by Mirza Sadikovic from Bihac]

[FBIS Translated Text] In the Velika Kladusa section of the front, Martic's and Abdic's chetniks attacked the Buzim region with antiaircraft weapons and (?on occasions) with mortars from Bugar and Gata and attempted infantry breakthroughs at several points around Trnovo, Johovica, and the very center of Velika Kladusa. Yesterday as well, the movement and regrouping of units was registered again, which speaks about new preparations for attacks. There were some provocative operations on the outskirts of Bihac, in the Bosanska Krupa region, and the Buzim front. The most difficult thing in all this is the fact that Martic's chetniks are still refusing passage to humanitarian convoys, something that makes the already critical situation in this part of Bosnia-Herzegovina even more complex.

5th Corps Launches 'Fierce Offensive' on Abdic

LD0401184595 Belgrade SRNA in Serbo-Croatian 1800 GMT 4 Jan 95

[FBIS Translated Text] Velika Kladusa, Drvar, 4 Jan (SRNA)—The Muslim army's 5th Corps launched a

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fierce offensive toward Velika Kladusa today. Velika Kladusa is held by the People's Defense forces of western Bosnia.

According to Velkaton radio from Velika Kladusa, which is loyal to Fikret Abdic, president of western Bosnia, the fiercest clashes today have been taking place on the eastern approaches to the town, in Vrnogrc where members of the 505th Buzim Brigade are attacking the western Bosnia forces' defense lines.

The radio says that refugees are returning to their homes despite the fighting. The information service of the Serb army's 2d Krajina Corps accused the Bihac Muslims today of killing 20 Serb inhabitants of the town over the last 30 days. According to the same source, several days ago the last of the 700 Serbs still living in Bihac was thrown out of his home into the street.

5th Corps Accused of Blocking Refugees' Return

LD0401181595 Belgrade SRNA in Serbo-Croatian 1719 GMT 4 Jan 95

[FBIS Translated Excerpt] Sarajevo, 4 Jan (SRNA)—Fierce artillery and infantry clashes between the Muslim army's 5th Corps and the units of the people's defense of western Bosnia resumed today in the areas of Johovica, Grmovi, and Velika Kladusa, the Muslim Sarajevo radio reports today. [passage omitted]

Velika Kladusa-based Velkaton, the official radio station of western Bosnia, reports for the second day running that the 5th Corps is trying to prevent the return of thousands of refugees to the areas captured by western Bosnia forces in recent clashes.

The establishment of the authorities of western Bosnia in recaptured areas is going according to the plans of President Fikret Abdic, the radio points out.

'Several' Truce Violations in Zavidovici Area

AU0501095495 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 0900 GMT 5 Jan 95

[Report issued by the Press Center of the Bosna Operations Group]

[FBIS Translated Text] There have been several incidents of truce violations along the Zavidovici-Vozuca defense lines. Chetniks have directed infantry fire at Velika (Krala) and Mala (Krala) and, in the early evening hours yesterday, they fired on (Posjelo) with (?M-50) submachine guns and one rifle grenade. A loud explosion was heard at (Jastrebsko Slope) at about [word indistinct] hours, but its cause was not established. At 1402 [1302 GMT], an enemy helicopter was observed flying along the (Cevaljusa)-Vozuca line. The vigilance of all members of our army along the firm defense lines in the theater of operations of the Bosna Operations Group is at its highest level.

Gorazde Front Reported 'Much Calmer'

AU0501095695 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 0900 GMT 5 Jan 95

[Report by Fahrudin Bekric from Gorazde]

[FBIS Translated Text] It is much calmer on the Gorazde battlefield today than it was at the end of last year, but there are still some aggressor activities in the region of (Radovice) and (Vranovica). An antiaircraft machine gun was registered shooting from [word indistinct] at (Procjep), and the defense line at (Vranovica) was fired on during the night. There have been no consequences and the defenders failed to respond.

Serb Corps Notes No 'Customary Provocations'

LD0501100995 Belgrade TANJUG Domestic Service in Serbo-Croatian 0941 GMT 5 Jan 95

[FBIS Translated Text] Bileca, 5 Jan (TANJUG)—For the first time in over a year there has been no shooting whatsoever on the Herzegovina front, which is more than 400-km long, the information service of the Serb Herzegovina Corps in Bileca announced today.

Over the past 24 hours, the customary provocations have not been registered either, and all the warring sides have been respecting the cease-fire agreement.

On the Muslim and Croat side, there has not been the usual regrouping of units and reconnaissance activity which has characterized the past few days, the statement says.

Muslim-Croat 'Tensions' Increase in Mostar

LD0401143295 Belgrade TANJUG in English 1407 GMT 4 Jan 95

["Pool" item]

[FBIS Transcribed Text] Belgrade, Jan. 4 (TANJUG)—Tensions in Muslim-Croat relations in the region of Mostar in central Bosnia grew into armed conflicts at the start of the year.

Both the Muslim and Bosnian Croat radios on Wednesday reported on the fighting along with mutual accusations for the violation of the Washington Agreement on a Muslim-Croat Federation in Bosnia.

Muslim radio stations said Bosnian Croats had launched five artillery shells on the eastern Muslim-held part of Mostar.

Fighting is also gaining in intensity in the so-called central- Bosnian canton as a consequence of earlier lengthy Muslim-Croat clashes.

Bosnian Croats and Muslims signed in March 1994, under United States sponsorship, an agreement on forming their federation in Bosnia.

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The agreement was signed after almost year-long battles over territories with a mixed population. The fighting killed many people, caused much material damage, mutual expulsions and the prevention of their return.

Croats Complain of Lack of Equal Status

LD0401231195 Mostar Croatian Radio Herzeg-Bosna in Serbo-Croatian 1700 GMT 4 Jan 95

[Report By Ivica Djikic from Tomislavgrad]

[FBIS Translated Excerpt] The Tomislavgrad municipal council today organized a traditional meeting with its citizens currently employed abroad. In addition to the municipal leadership, the meeting was also attended by Ivan Bender, president of the Herceg-Bosna parliament; Mile Akmadzic, Herceg-Bosna foreign minister; and Pero Markovic, chief secretary of the Bosnia-Herzegovina Croatian Democratic Union.

The dialogue was open and the citizens asked about all topics of interest to them. Ivan Bender pointed out that we need to build and improve Herceg-Bosna together because this is a guarantee of the Croats' survival in Bosnia-Herzegovina. He also said that now is the time for all Croats to make their full contribution to establishing a Croat state. Those who do not take part in this do not have the right to criticize, Ivan Bender said.

Mile Akmadzic said that the Croats in the Bosnia-Herzegovina Federation still do not have equal status in comparison with the Bosniaks, and that this is particularly evident in cadre policy. Croats must be incorporated in all the federal bodies from ministries to diplomatic missions abroad, Akmadzic said. [passage omitted]

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Croats Refuse To Open Turanj Checkpoint for UN

LD0401172295 Zagreb Radio Croatia Network in Serbo-Croatian 1600 GMT 4 Jan 95

[FBIS Translated Excerpt] The UN Protection Force [UNPROFOR] is demanding that a checkpoint and the Plitvice Road be opened for its vehicles, although the force has not introduced order within the Blue Zone. This has been demanded by the leaders of the protection forces of Sector North at talks with the Croatian side in Karlovac. Here is a report by Trajko Grkovski:

[Grkovski] Until the problem of Turanj—and the 700 Muslim refugees still there—is resolved, and the problem of the entry of Serb rebel forces into the Blue Zones is solved, and until UNPROFOR subordinates its activity and organization to the implementation of the Zagreb agreement in these areas, there can be no opening of an UNPROFOR checkpoint at Turanj or the Plitvice Road to allow their vehicles to pass along it. In addition to this, UNPROFOR cannot and should not serve as a postman for the rebel Serbs.

Karlovac journalists were told this by the Croatian negotiators—Croatian Army Commander Major General Miljenko Crnjac and Karlovac Police Chief Dubravko Berk—at the end of their talks today with the leaders of UNPROFOR's Sector North and the sector's commander, Gen. Josef Smijelo.

The UNPROFOR leaders came to Karlovac with the request that the Plitvice Road and UNPROFOR's checkpoint at Turanj be opened immediately, even though UNPROFOR has not yet ensured that the situation in the Blue Zone is normal. We maintain that it is precisely UNPROFOR that is responsible for the situation over the past few months around Turanj and the situation in Sector North in general, Crnjac stressed. [passage omitted]

Canadian Peacekeepers Come Under Small Arms Fire

LD0401150995 Montreal Radio Canada International in English 1430 GMT 4 Jan 95

[FBIS Transcribed Excerpt] Canadian peacekeepers in Croatia came under small arms fire today. The Canadians returned fire after a bullet grazed the jacket of one of the peacekeepers. It has not been reported who fired at the Canadians. The incident happened along the line separating Serbs and Croats. Senior Canadian officials are meeting military authorities from both sides. [passage omitted]

Cochairmen Owen, Stoltenberg Hold Talks in Zagreb

LD0401114995 Zagreb Radio Croatia Network in Serbo-Croatian 1100 GMT 4 Jan 95

[FBIS Translated Text] Hrvoje Sarinic, head of the Croatian delegation for the negotiations with the local Serbs, Owen and Stoltenberg, cochairmen of the peace conference, and Borislav Mikelic, representative of the Serbs from the occupied Croatian areas, are to hold a meeting at UNPROFOR's [UN Protection Force] base at Zagreb's Pleso Airport, Tihomir Vinkovic reported.

After the talks this morning between Sarinic and the cochairmen, Lord Owen said that the talks this morning, as well as the ones in Belgrade yesterday, focused on the implementation of the economic part of the agreement on the peaceful reintegration of the occupied Croatian areas. The most important thing is to implement the agreement fully, Owen said, and claimed that considerable progress had already been achieved. The main point is to find solutions for the issues that concern most of the Croatian citizens: The opening of roads and ensuring regular supplies of water, electricity, and fuel.

It seems that the time has come for the talks on political issues to start soon, Owen said. He added that this was constantly on the agenda and that the Russian and U.S. ambassadors to Croatia, as well as international conference ambassadors, were helping to do this.

Asked by a journalist what the international community will do if the Croatian Assembly decides to cancel UNPROFOR's mandate, Stoltenberg said: "I said on many occasions that UNPROFOR, the United Nations, are here in order to assist and not to exert pressure." If the Croatian Government and Assembly decide that they are not satisfied, we will go away, Stoltenberg said following his talks with Sarinic.

Owen on Knin-Zagreb Accord

LD0401165195 Belgrade TANJUG in English 1531 GMT 4 Jan 95

[FBIS Transcribed Text] Zagreb, Jan. 4 (TANJUG)—Croatian and Serb Krajina officials will meet at Zagreb Airport on Wednesday to discuss the implementation of the recently signed agreement on economic issues.

The talks between head of the Croatian negotiating team Hrvoje Sarenic and Serb Krajina prime minister Borislav Mikelic will also be attended by international mediators Lord David Owen and Thorvald Stoltenberg.

Owen and Stoltenberg, who chair an international conference on the former Yugoslavia, had met earlier in the day with Sarinic and the Croatian delegation.

It is most important that the agreement on economic issues be fully implemented, Owen said and added that a significant progress had already been made in that direction. He told reporters that it was most important to settle problems in reopening traffic lines and providing water, electricity and fuels.

Owen said it was high time Zagreb and Knin began talks on political issues. Asked about what the international community would do if Croatia refused to agree to an extension of UNPROFOR's mandate, Stoltenberg said that the U.N. peacekeepers were there to help and not to exert pressure.

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If such a decision should be adopted, UNPROFOR would go, he said. Owen and Stoltenberg discussed the agreement on economic issues with the Serb Krajina leadership in Knin on Monday and with Serbian President Slobodan Milosevic in Belgrade on Tuesday.

The republic of Serb Krajina was proclaimed in 1991 in Serb ethnic and historical territories in the former Yugoslav Republic of Croatia after Croatia unilaterally seceded from the former Yugoslav Federation and removed Serb national rights from its constitution.

In March 1992, Krajina's territory was placed under the United Nations protection and more than 14,000 U.N. peacekeepers were deployed there.

Measures for Economic Accord

LD0401195195 Zagreb HTV Television in Serbo-Croatian 1830 GMT 4 Jan 95

[FBIS Translated Text] Here is the latest news on the implementation of the [Knin-Zagreb] economic agreement. The cochairmen of the management board of the international conference on the former Yugoslavia have agreed with Hrvoje Sarinic and Borislav Mikelic on the implementation of the next phase of the agreement signed on 2 December 1994.

The Zagreb-Lipovac Motorway, which has been open to traffic during the day since 21 December, will be open permanently, 24 hours a day, from 0600 on Friday, 6 January.

From Thursday, 5 January, in the presence of international experts, the generators for the Obrovac Power Station will be tested at the Koncar Factory in Zagreb to confirm that they are ready, and on Monday, 9 January they will be transported by road to the hydroelectric power station in Obrovac.

Repair work on all damaged electrical and water supply installations will start as soon as possible, in accordance with the plan to be agreed and supervised by the joint commission. The first stage is expected to be completed by 4 February.

Legal and business experts will further negotiate on the statutes of the joint commercial oil enterprise, with the aim of reaching an accord in the near future.

UN Protection Force [UNPROFOR] experts, accompanied by two experts from Croatian railways and two from the local authorities, will check the Zagreb-Okucani-Slavonski Brod-Mirkovci Railroad and they are expected to produce a report outlining plans for urgent repairs to the track by 10 January.

The repair work will be carried out under UNPROFOR supervision. Croatian railways and the local authorities will bear the cost of the equipment and of the fees for expert staff.

The same technical procedure will apply to the plan for the reopening of the Zagreb-Knin-Split Railroad. A report on this will be submitted as soon as possible.

The oil pipeline in the UN protected area's Sector North will be checked by UNPROFOR experts as soon as weather conditions permit, since a mine clearance operation would be dangerous in the snow.

On 5 January this year, the joint commission will meet in Split, chaired by Ambassador Kai Eide and the head of the UN Civil Affairs Department, on behalf of the cochairmen of the Geneva peace conference on former Yugoslavia. The meeting will focus on all aspects of the implemention of the agreement signed on 2 December 1994.

On Wednesday, 11 January, the cochairmen of the Geneva peace conference on former Yugoslavia will meet Sarinic and Mikelic at the UN headquarters in Pleso so that the talks can resume.

Talks With Russian Officials on Resolving Crisis

LD0401170895 Zagreb Radio Croatia Network in Serbo-Croatian 1600 GMT 4 Jan 95

[FBIS Translated Text] We have just received this statement from the Croatian president's office:

Hrvoje Sarinic, head of the president's office, had talks at the presidential palace this afternoon with Igor Ivanov, first deputy of the Russian foreign minister and the head of the Russian Foreign Ministry's department for European Affairs, and Yuriy Ryurikov, Boris Yeltsin's foreign policy advisor. Russian Ambassador in Zagreb Leonid Kerestedzhiyants was also present. They discussed ways of resolving the crisis in Croatia and the reintegration of the occupied Croatian areas.

DANAS Folds; Readers Promised New Weekly

AU0401120495 Zagreb VECERNJI LIST in Serbo-Croatian 31 Dec 94, 1 Jan 95 p 4

[Z.Z.-attributed report: "DANAS Is Winding Up"]

[FBIS Translated Text] Zagreb—After two years of continuous publication, DANAS, as we have learned, is presenting the last issue to its readers. The political weekly, which, thanks mainly to objective circumstances, became with its the new series that is ending with issue number 104 more influential among the narrow, professional circle than among the general public, will not disappear completely. Well-informed circles claim that after a short break, readers yearning for serious political articles will be offered a similar political weekly with a fresh concept and probably a new name, a new owner, and a new editor in chief. As learned, the new editor could be Stjepan Cuic.

DANAS' current editor, Hloverka Novak-Srzic, commenting briefly on the cessation of DANAS's publication, has emphasized the hard work of the current staff, who, working in difficult conditions, nevertheless managed to produce an interesting and informative magazine every week. After the new year's holiday, she is taking up a new post.

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Diplomatic Relations Established With Uzbekistan

AU0401171395 Skopje MIC in English 4 Jan 95

[FBIS Transcribed Text] The Republic of Macedonia [The Former Yugoslav Republic of Macedonia] and the Republic of Uzbekistan have established diplomatic relations at embassy level. The protocol for the establishment of diplomatic relations between the two countries was signed in Ankara, Saturday [31 December], by the ambassador of Macedonia in Turkey, Trajan Petrovski, and ambassador of the Republic of Uzbekistan, Abdugafur Adburahmanon [name as published]. Upon the formal act of signing, the emphasis was placed on the significance of the traditional links between Macedonia and Uzbekistan and the interest for development of cooperation in all spheres.

Soon, delegation from both countries are expected to meet and define the contents of the future cooperation.

Orthodox Church Accuses Serb Church of Expansion

AU0401171195 Skopje MIC in English 4 Jan 95

[FBIS Transcribed Text] The Holy Synod of the Serbian Orthodox Church sent an act, on behalf of Patriarch Pavle, signed by the metropolitan of Montenegro, Amfilohie Radovic, to the Archbishop of Ohrid and Macedonia [The Former Yugoslav Republic of Macedonia], Mr. Mihail, with which the metropolitan of Vranje Pahomie is included in the negotiations as administrator of the Skopje, Ohrid-Bitola, and Zletovo-Strumica eparchy. Otherwise, these eparchies are non-existent in the present church regional outline of the revived Ohrid archbishopric, in the face of the Macedonian Orthodox Church.

According to the letter, Macedonia is still a "Vardar 'Banovina'" (trans. note—regional unit ruled by a ban), and the Macedonian people are a non-existent people. The Macedonian Orthodox Church is a schismatic church, that is, disrespect is expressed toward the dignity of the Macedonian Orthodox Church—as an archbishopric and the spiritual figure of its head—archbishop, as well as disrespect toward the existing eparchies under the jurisdiction of the Macedonian Orthodox Church. Thereby, the Serbian church leadership, in an anti-Macedonian and unorthodox spirit, is projected itself as a representative of the policy for a Great Serbia, through the decisions of the Holy Synod of the Serbian Orthodox Church.

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Serbia

Call For 'Protests' Over BORBA Closure

AU0401192695 Belgrade BORBA (Alternative Edition) in Serbo-Croatian 4 Jan 95 p 1

[Report by V. Ilic: "When Words Are Not Enough"]

[FBIS Translated Text] Belgrade—The several days-long protests against the decision by the authorities to take over control of BORBA continued on 1 January with a "live ring" around the building of BORBA. Approximately 3,000 people responded to the call by the independent trade union of the media and, holding copies of the special issue of BORBA, formed "a ring of freedom," as it was named by the organizers, UGS Nezavisnost [United City Trade Unions Independence], and NUNS [Independent Union of the Journalists of Serbia].

Despite the heavy rain and the fact that it was the first day of the new year holidays, this protest was attended by several hundred BORBA readers, admirers, friends, colleagues from other papers, and distinguished public life personalities, among whom were Vuk Draskovic, Vesna Pesic, Vojin Dimitrijevic, Zarko Korac, Svetlana Knjazeva, and many others. "This is only the first in the series of similar protests organized over the repression of the state authorities against BORBA," Rade Radovanovic said on the behalf of the organizers.

"Our weapons are words, words of truth and words of facts. However, words are no longer enough, no matter how true they are. Instead of using words, we must do much more in the defense of the freedom of speech, our rights, and our BORBA. We must not give in and yield to lethargy. If they 'put down' BORBA, NTV Studio B, NIN, B 92, REPUBLIKA, and the others today, there will be no one there to report it when they come to 'put us down' tomorrow! That is why we must fight, and that is why UGS Nezavisnost and the other truly independent trade unions are calling for constant protests and civil resistance to the tyranny, brute force, arrogance, and primitivism. He who does not fight does not win," Rade Radovanovic said.

Russian Parliamentarian Delegation Arrives

LD0401161295 Belgrade TANJUG Domestic Service in Serbo-Croatian 1528 GMT 4 Jan 95

[FBIS Translated Excerpt] Belgrade, 4 Jan (TANJUG)—A delegation of Russian parliamentarians arrived in Belgrade this afternoon at the invitation of Zoran Djindjic, chairman of the Democratic Party [DS], the DS information service has announced.

The delegation, which is made up of representatives of Democratic Russia's Choice, the Russian Way, and the Russian Popular Alliance, is to have meetings this evening with representatives of the Serbian Committee for the Defense of Rights and Freedoms, the DS statement says. [passage omitted]

On Friday the Russian parliamentarians will travel to the [Bosnian] Serb republic for talks with its leadership and representatives of parliamentary parties, the DS statement says.

Article Analyzes 1995 Republican Budget

AU0201105395 Belgrade POLITIKA in Serbo-Croatian 25 Dec 94 p 9

[Article by Vesna Jelicic: "Who Will Get What From the Republican Coffers"]

[FBIS Translated Text] To judge next year's draft republican budget by its figures and the assurances of the relevant organs in the Serbian Government, this time the authors of the budget adhered to the old saying "cut one's coat according to one's cloth." In other words, next year, the state, as proposed, will be able to spend only as much as it collects from mainly taxes on personal incomes and sales. As estimated, this amount will be 4.9955 billion dinars and the expenditure must not exceed it. The final assessment of the government's draft budget for the next 12 months will come from the deputies of the Serbian parliament at the end of this week.

Even though it is obvious that this year's trend of saving on salaries in the state administration will continue (the budget for the next year envisages the average base for computing salaries to be 130 dinars; a decision was subsequently adopted that in the first three months computation be based on the currently frozen base of 90 dinars), almost a half of the budget pie, or to be more precise, 42.52 percent or 2.124 billion dinars will be spent on salaries. On the payroll are those employed in the state organs and organizations (including both clerks and inspections, that is, people working in the field, then the entire judiciary and the public prosecutor's office, workers in charge of implementation of criminal sanctions, and councils for misdemeanors) and public services financed by the state. Judging by the base pay and, of course, the gross pay, the salaries will be modest as there are, as the Ministry of Finances told us, 228,000 persons on the payroll.

One Third for Public Services

The salaries of the 138,731 employees in the public services (primary, secondary, and university education), the standard of living of pupils and students, science and technology, culture, physical culture, and special programs will require 1,199,321,000 dinars. In addition to the salaries, public services will also receive 255.056 million dinars for material expenses, and 38.3 million dinars for investments, which is a total of 1,490,670,000 dinars, or almost a third of the envisaged budget.

Regarding state organs and organizations (the assembly, the government, ministries, secretariats, republican administration, institutes, agencies, and directorates), they will receive in the next 12 months 1,659,028,000 dinars. Apart from 924.837 million dinars for salaries [18.5 percent of the budget], this amount also includes 283.068 million dinars for material expenses and 425.623 million

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dinars for "special and other purposes" (equipment for these organs, equipment for punitive-corrective and educational-corrective institutions). All together, this amounts to 33.2 percent of the total budget.

It is perhaps interesting to compare the funds for the smallest ministry, the Ministry for Religions (which employs only four persons) and the funds for the largest ministry, the Ministry of Internal Affairs whose number of employees has not officially been revealed (disregarding the Ministry of Education on whose payroll are all those employed in education). As proposed, the Ministry for Religions will receive 46,000 dinars, while the Ministry of Internal Affairs' pay bill amounts to 554 million dinars. In addition to the funds for salaries, the Ministry of Internal Affairs will also receive money for material expenses (146.5 million dinars), funds for the acquisition of equipment and other non-economic investments (94 million dinars), expenses for the Police Academy, higher and intermediary schools for internal affairs, the Council for Safety of Road Traffic, and the Fire Fighting Association (a total of 30.987 million dinars), 25 million for construction of residential dwellings, and 55 million dinars for "special purposes." When all this is added up, the Ministry of Internal Affairs will next year cost the state 905.487 million dinars, which is almost a fifth of the budget.

JAT Is Also in the Budget

A total of 618.5 million dinars has been earmarked for the intervention and investments in the economy, or as stated in the explanation of the budget, "for stimulating development." Of this amount, 105 million dinars will go to two funds: The fund for paying out the lowest salaries and benefits, that is, for the financing of, as envisaged, 30,000 workers a month for whom the employer cannot pay the guaranteed pay totalling 64.8 million dinars, and the fund for the labor market and for solving the problem of the surplus work force, amounting to 40.2 million dinars.

A total of 150.347 million dinars has been earmarked for boosting production in agriculture. Of this sum, 65 million dinars have been earmarked for premiums and subsidies (premiums for milk, for instance, amount to 50 million dinars), 31.8 million dinars for the health protection of animals, 29.5 million dinars for the revitalization of the rural areas, and 11.423 million dinars for improvements in animal breeding. The list of measures to boost production includes 38.156 million dinars for the repayment of loans, 40 million dinars for commodity reserves, 7.5 million for compensation for the return of land, 1 million for the work of the commission for the return of land, 3 million for natural gas and oil exploration, and 600,000 dinars for advertising tourism, which is important for the economy of the republic and for whether expenses can be controlled. The ZTP Belgrade public company will receive 84.5 million from the budget for maintenance and improvements in the railroad infrastructure, and 10 million dinars for the continuation of construction work on the Belgrade junction. JAT [Yugoslav Air Transportation] and Belgrade airport were given 30 million dinars from the budget without a detailed explanation what the money is to be spent on. The funds for the management of waters, forests, landscape, geological exploration, and development (regional development) will receive 113 million dinars from the budget.

The state plans to cover the social, child, and war-disabled protection programs (there are about 900,000 beneficiaries) with 19.2 percent of the budget funds, or 959.1 million dinars. A total of 9.185 million dinars has been earmarked for the construction of houses and the provision of accommodation for refugees. The Commissioner for Refugees, if the budget is accepted, will receive another 6 million dinars for "special purposes." The social organizations that are not under the patronage of any ministry (the Red Cross, the Association of the War Disabled of Serbia, and so forth) will receive 3.77 million dinars. The total amount of funds earmarked for social organizations is 6 million dinars.

[Box, p 9]

President's Modest Expenses

The draft budget for the next 12 months has set aside a special amount of money for financing the expenses of the office of the president of the republic. Total expenses (salaries and entertainment fund) in the passage entitled "The President of the Republic" stand at 1.054 million dinars, which is one of the most modest budget items.

For the comparison sake, only 50,000 dinars has been earmarked for the president's entertainment fund, while the same item earmarked for the Assembly, true, a considerable more numerous body, stands at 400,000 dinars. The government's entertainment fund stands at 200,000 dinars. The same amount is earmarked for the protocol of the Secretariat for Relations with Other Countries.

[Box, p 9]

How Much Do the Deputies Cost

There is a special item in the budget (within the "funds for the work" of the republican organs and organizations) earmarked for the salaries, travel expenses, removal expenses, and claims of the republican officials and deputies, and it amounts to 9.137 million dinars. The assembly deputies and officials will receive 8.2 million dinars, while government officials will receive 937,000 dinars.

This amount of money does not, of course, include, the cost of preparing and holding the sessions of the assembly, the government, and their committees and commissions, nor does it include the entertainment expenses that are treated separately.

[Box, p 9]

Funds for the Change of Constitution

Judging by the draft budget, Serbia is facing a change of the constitution and its residents yet another referendum. Of 11.738 million dinars earmarked for the assembly's costs,

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800,000 has been marked as the cost of the work on changing the constitution and a referendum.

Private TV Stations Operating Illegally

95BA0080A Belgrade NIN in Serbo-Croatian 9 Dec 94 p 27

[Article by Slobodan Ikonic: "Television Is Our Oil"]

[FBIS Translated Text] Without counting the large government television network in Serbia, almost every major city has a local TV station: There are about 30 of them, and in Belgrade alone there are six local TV stations.

One would say that we are one of the countries whose citizens are saturated with information and a variety of programs.

Serbia's legal regulation in this area, although adopted after the change of the political system and adoption of the multiparty system, reflects the paternalism of the state over the TV medium. Under that law, the government allocates frequencies for television broadcasting, and it does this on the recommendation of a commission whose members are also named by the government. If commercial programming is in question, a frequency can be obtained—in exchange for plenty of money.

It Is Who You Know

Aside from the three channels of RTS [Radio-TV Serbia], there are entries in the register of public media in the Ministry for Information of the Republic of Serbia for the following: Studio B, TV Politika, TV Kraljevo, the public enterprise Stampa Radio i Film (Press, Radio, and Film) (Bor), Fokus (Kragujevac), TV Krusevac, TV Leskovac, BKT (Karic Brothers of Belgrade), and TV Spectrum (Cacak). They also mention in the ministry that the following obtained frequencies in the competition for this year: the Assembly of Trstenik Opstina and the private firm Televizija K9 in Kragujevac. All the other stations are broadcasting without approved frequencies. Nor is the role of Radio-Television Serbia negligible; this is the public state enterprise whose "professional opinion" also plays an important role when frequencies are being allocated.

Examples in Belgrade can illustrate the unlawful operation of certain television stations.

According to figures of the Fund for Development of Democracy, RTS, using the funds of taxpayers and the possibility of obtaining frequencies without competition, has unlawfully and detrimentally to the taxpayers given up a frequency intended for improvement of its visibility on Zvezdera to the newly founded TV station Pink, whose headquarters are in the offices of the SPS [Socialist Party of Serbia] and the SK-PJ [League of Communists—Movement for Yugoslavia]—overlooking the fact that the republic law makes no provision for contractual transfer of a frequency. But perhaps the owners of that TV station are even stronger than the law. Unofficially, aside from Blagoje Lucic (former minister in the Kontic government), as the principal stockholder in "rosy" television, as TV Pink is rendered in a translation from English, capital was also invested by the firm Komet, whose business is tied in with the League of Communists—Movement for Yugoslavia. In any case, the word "pink" in American jargon is an attribute for those sympathetic to the Communists.

TV Palma, established with the funds of savings depositors of Jugoskandik and with its headquarters in offices of the Main Committee of the SPS at No. 15 Student Square (the former City Committee of the LCY [League of Communists of Yugoslavia]), has also been operating unlawfully for quite some time, with no approved frequency, we were told in the Fund for Development of Democracy. The director of Palma is Miodrag Vujovic, a high official of the SPS and said unofficially to have been best man at Jezdimir Vasiljevic's wedding. Back in 1991, two enterprises were formed with the money of savings depositors of Jugoskandik: IHC (International Holding Company), an enterprise for radio and TV, and the enterprise Palma for foreign trade. After Master Jezda's flight from the country, Palma took over the frequency that had been obtained by IHC, unlawfully occupied the offices of that enterprise and threw its people out onto the street, even though IHC is the majority founder of Palma.

"The Federal Administration for Radio and Communications should have intervened immediately, but it did not," they say at the fund.

No Case Was Made

"Which is why the Fund for Development of Democracy will sue the state because the money of the public gathered through electricity bills and taxes has been usurped and used by the state to finance its own public RTS network. The state is also using that money unlawfully in forming regional radio and TV stations, in which once again RTS is a cofounder. And there are quite a few such stations throughout Serbia (Nis, Smederevo, Leskovac, Vranje, Sabac...)."

Other private individuals who have an ambition to broadcast TV programming, perhaps precisely because of these two cases, can do so unlawfully, without obtaining a frequency (on the basis of technical documentation and permits issued for a limited time, but constantly renewed), with the tacit consent of the state. Of course, that means that the authorities can shut them down anytime or warn them through various inspectorates to be very careful what they broadcast. Many of them say that their programming does not include political programs or content that would bother the RTS or the political party in power. News programs carry strictly local news, neutral programs from satellites (films, music...), and updated folk music to an enormous extent.

The Belgrade ART channel, which broadcasts only cultural and art programming, with no programs that have political content, is an exception here. In spite of public support and the quality of its programming (which is important when frequencies are allocated), it is the channel that was rejected in the last competition this year without any statement of the grounds, in spite of the efforts of the current Minister for Culture Nada Popovic-Perisic in the fight against trash, while at the same time the principal vehicles of "the newly rendered culture," TV Pink and TV Palma, are broadcasting from the buildings of her party.

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